

Office of the Comptroller Directive No. 3-07

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 - Attachment 27**, Internal Control Statement
 - Attachment 28**, Adjustments
 - Attachment 29**, Report of Financial Condition
 - Attachment 30**, Supplemental Information – Revision Control Log
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Office of the Comptroller Directive No. 3-07

Directive Compliance Guidelines for State Agencies

Introduction

Subject

This Directive addresses State agencies' responsibilities for submitting financial statement templates and other financial information to the Department of Accounts (DOA).

Purpose

To provide guidance to State agencies for submitting the following items to DOA to assist in the preparation of the Commonwealth's Comprehensive Annual Financial Report (CAFR):

- Financial statement templates (Attachments 8-12)
- Other attachments
- Supplemental information

Financial statement templates (Attachments 8-12), other attachments, and supplemental information must be prepared in accordance with generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB).

SAS 112

Statement on Auditing Standards No. 112, Communicating Internal Control Related Matters Identified in an Audit (SAS 112), is effective for fiscal year 2007. SAS 112 states that the identification by the auditors of a material misstatement is an indicator of a control deficiency that should be regarded as at least a significant deficiency and a strong indicator of a material weakness in internal control. This includes misstatements involving estimation and judgments. This also includes restatements of previously issued financial statements to reflect a correction of a material misstatement. This applies to whether the auditors or the agency discovers the restatement. (Note: This does not apply to a change in accounting principle to comply with a new accounting principle or a voluntary change from one GAAP to another.) Agencies must ensure controls are in place to avoid material misstatements and/or misclassifications in the financial statement template.

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Introduction, Continued

Agency compliance

Agencies are required pursuant to Section 2.2-803 and Section 2.2-813 of the *Code of Virginia* (1950), as amended, to submit financial statement templates and / or other financial information for the following reasons:

- The financial information required by this Directive is necessary for DOA to prepare the CAFR.
- The bond rating agencies use the CAFR to determine Virginia's bond rating. Maintaining an unqualified opinion on the CAFR is critical to Virginia retaining its AAA bond rating.
- The bond rating agencies require that parts of the CAFR be included in bond offering statements.

Applicability

This Directive applies to **all State agencies**.

Exemption – This Directive does **not** apply to those **commissions** and **boards** that receive one annual appropriation disbursement from the Commonwealth.

Policy

For year-end closing, financial statement template, other attachment, and supplemental information preparation, all State agencies must comply with the following guidelines. These are described in detail on the following pages:

- Reconciliation to CARS
- Preparation of Attachments
- Preparation of GAAP Basis Financial Statement Templates (Attachments 8-12)
- **GASBS No. 33** – Nonexchange Transactions Overview
- **GASBS No. 34** – Financial Reporting Model Overview
- **GASBS No. 42** – Impairment of Capital Assets and Insurance Recoveries Overview
- Additional Guidelines for Preparation of GAAP Basis Fund Financial Statement Templates
- Supplemental Information

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Introduction, Continued

Effective date	The Directive is effective for the fiscal year ended June 30, 2007, and thereafter. This Directive rescinds and replaces Office of the Comptroller Directive No. 2-06, <i>Financial Statement Preparation for State Agencies</i> .
Failure to comply	If an agency fails to comply with the requirements of this Directive, the Comptroller may disclose such failure in the <i>Quarterly Report on Statewide Financial Management and Compliance</i> .
Directive availability	This Directive is available at www.doa.virginia.gov . Fiscal officers are notified via e-mails. The Commonwealth Accounting and Reporting System (CARS) users are notified via the CARS Broadcast Screen.
Questions	<p>Douglas N. Page Assistant Director, Financial Reporting Voice: (804) 225-3136 E-mail: Doug.page@doa.virginia.gov</p> <p>John J. Sotos Assistant Director, Financial Reporting Voice: (804) 225-2111 E-mail: John.sotos@doa.virginia.gov</p> <p>Sharon H. Lawrence Director, Financial Reporting Voice: (804) 225-2414 E-mail: Sharon.lawrence@doa.virginia.gov</p>

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Introduction, Continued

Submission information

Except as noted on specific attachments, DOA **requires** the agency to e-mail financial statement templates (Attachments 8-12), other attachments, and / or supplemental information.

Templates and other attachments must be emailed to:
finrept-agyatt@doa.virginia.gov. Supplemental information must be emailed to finrept-agysupp@doa.virginia.gov. DOA will e-mail a confirmation of receipt for each electronic submission. Agencies should follow up with DOA if the agency does not receive a confirmation. **Agencies should not submit paper copies of e-mailed attachments.**

DOA will also notify agencies if submissions do not meet the specified standards. If a submission is deemed unacceptable and rejected by DOA, the agency will be provided a short window of opportunity to resubmit the information in a manner that adequately addresses the deficiencies noted by DOA.

Agencies should copy APA on all e-mail submissions at:
APAFinRept@apa.virginia.gov.

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Reconciliation to CARS

What is required?

The following requirements apply to the reconciliation of CARS:

- Reconcile, where appropriate, all internally prepared accounting records, data submission logs, and other accounting data to reports produced by CARS. Reconciling includes posting adjustments to CARS so it agrees to the reconciled balance. For further information see CAPP topic, 20905, CARS Reconciliation Requirements.
 - Perform and certify these reconciliations to DOA monthly and at fiscal year-end. When agencies certify that the reconciliation was performed, they are certifying that the reconciling adjustments have been posted to CARS.
-

Preparation of Attachments

Purpose and requirements

Most agencies are not required to prepare financial statement templates (Attachments 8-12). Agencies that are not required to prepare financial statement templates for specified funds are required to submit other attachments for DOA to gather financial information needed for the CAFR.

- Attachments must comply with applicable GASB Statements.
- Attachments must be in the format provided in this Directive.

Once again, except as otherwise noted on specific attachments, DOA requires the agency to e-mail the submissions to DOA. **Agencies should not submit paper copies of e-mailed attachments.** All attachments must be sent to DOA and copied to APA except for Attachment 29, Report of Financial Condition, which must be sent **only** to the APA.

To prevent rounding errors, ALL dollar amounts reported to DOA must be whole numbers that are rounded to the nearest dollar. The attachments require whole numbers.

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Preparation of Attachments, Continued

Overall changes A detailed listing of changes and items of interest was e-mailed to fiscal officers and is posted on DOA's website at www.doa.virginia.gov. Click on the "Financial Reporting" button, then click on "Financial Statement Directives."

GASBS No. 34, government-wide revenue classification As in the prior year, information from last year's submissions and CARS activity was analyzed and is posted on DOA's website at www.doa.virginia.gov as the **GASBS No. 34 Government-wide Revenue Classification Table**. Click on the "Financial Reporting" link, then click on "Financial Statement Directives." When completing attachments that require **GASBS No. 34** government-wide revenue classifications, refer to this table for proper classification. **Note: This table will be available in mid-July 2007.**

New attachments **Attachment 17**, Insurance Recoveries, will be used to capture information related to insurance recoveries for agencies that do not provide financial statement template information.

Attachment 19, Management Discussion and Analysis, will be used to gather objective and easily readable analysis of the agency's financial activities based on currently known facts, decisions, or conditions. Agencies required to complete this attachment will be notified by DOA in a separate communication.

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Preparation of Attachments, Continued

Due dates

The attachment due dates are detailed below:

Attachment	Attachment Name	Due Date
1	Checklist to Determine Information Required by Comptroller's Directive	July 19
2	Contact Survey	July 19
3	<u>GASBS No. 14</u> Checklist Modified to Reflect <u>GASBS No. 39</u>	July 19
4	Energy Performance Contracts	August 2
5	Leave Liability Statement – CIPPS and Non-CIPPS Users	August 2
6	Schedule of Outstanding Installment Purchase Obligations	August 2
7	Schedule of Inventory on Hand at June 30 and Prepayments	August 2
8	Governmental Fund Financial Statement Template	August 16
9	Enterprise Fund Financial Statement Template	August 16
10	Internal Service Fund Financial Statement Template	August 16
11	Private-purpose Trust Fund Financial Statement Template	August 16
12	Agency Fund Financial Statement Template	August 16
13	Capital Asset Accounting and Control System (FAACS) Analysis	August 16
13A	Impairment of Capital Assets	August 16
14	Federal Schedules	August 16
15	<u>GASBS No. 33</u> Expenditure and Revenue Analysis	August 16
16	<u>GASBS No. 38</u> Short-term Debt	August 16
17	Insurance Recoveries	August 16
18	Internal Service Funds – Conversion to Government-wide Statement of Activities	August 23
19	Management Discussion and Analysis	August 23
20	Receivables as of June 30	August 30
21	Schedule of Retainage Payable	August 30
22	Schedule of Cash, Cash Equivalents, and Investments at June 30	August 30
23	Donor-restricted Endowments	August 30
24	<u>GASBS No. 33</u> Federal Fund Analysis – Advance Funded / Block Grants	September 20
25	Government-wide Payables and Other Accruals at June 30	September 20
26	Direct Billed Central Services	September 20
27	Internal Control Statement	October 18
28	Adjustments	October 18
29	Report of Financial Condition	October 18
30	Supplemental Information – Revision Control Log	As revisions made

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Preparation of GAAP Basis Financial Statement Templates (Attachments 8-12)

Introduction

This section is divided into the following areas:

- Agencies required to submit templates
 - General financial statement template guidelines
 - **GASBS No. 28** reporting for securities lending amounts invested in the General Account
 - **GASBS No. 33** and **GASBS No. 36**
 - **GASBS No. 34** / **GASBS No. 37** / **Interpretation No. 6**
 - **GASBS No. 38**
 - **GASB Technical Bulletin 2003-1**, *Disclosure Requirements for Derivatives Not Presented at Fair Value on the Statement of Net Assets*
 - **GASBS No. 39**
 - **GASBS No. 40**
 - **GASBS No. 42**
 - **GASBS No. 44**
 - **GASBS No. 46**
 - **GASBS No. 47**
 - Guidelines for financial statement template work papers
-

Agencies required to submit templates

Agencies listed on the following pages are required to submit GAAP basis financial statement templates. In some instances, templates are required only for specific fund(s) within an agency. The table on the following pages indicates the specific reporting requirements for each agency.

If the agency is not listed on the following pages and has off-CARS activity, then the agency must notify Doug Page, Assistant Director of Financial Reporting, at (804) 225-3136 or John Sotos, Assistant Director of Financial Reporting, at (804) 225-2111, or Sharon Lawrence, Director of Financial Reporting, at (804) 225-2414. The agency may be required to prepare GAAP basis financial statement templates in accordance with this Directive.

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Preparation of GAAP Basis Financial Statement Templates (Attachments 8-12), Continued

Agencies required to submit templates (Continued)

Agency / Fund	Fund Type	Attachment Number
Department of Agriculture Milk Commission—Producer Recovery / Equalization Fund	Agency	12
Department of Alcoholic Beverage Control	Enterprise	9
Department of Aviation Aviation LGIP Funds	Agency	12
Department for the Blind and Vision Impaired Special Revenue Fund	Special Revenue	8
Virginia Industries for the Blind	Enterprise	9
Department of Conservation and Recreation State Parks Projects Fund	Special Revenue	8
Chippokes Plantation Farm Foundation	Special Revenue	8
Department of Corrections (See Supplemental Information section) Commissary Fund	Special Revenue	8
Inmate & Ward Trust Fund	Agency	12
Department of Environmental Quality Title V Air Pollution Permit Fund	Enterprise	9
Department of General Services Virginia War Memorial	Special Revenue	8
eVA	Enterprise	9
Newborn Screening / Consolidated Labs	Enterprise	9
Fleet Management	Internal Service	10
Property Management (Real Estate Services, Maintenance & Repair)	Internal Service (Combining)	10
General Services (Virginia Distribution Center, Consolidated Laboratory Water Testing, Office of Graphic Communications, Federal Surplus Property, State Surplus Property, Engineering Services)	Internal Service (Combining)	10
Department of Human Resource Management (See Supplemental Information section) Local Choice	Enterprise	9
Health Insurance Fund	Internal Service	10
Workers' Compensation	Internal Service	10
Department of Juvenile Justice Commissary Fund	Special Revenue	8
Donation Trust Fund	Special Revenue	8
J. Bryan Trust Fund	Special Revenue	8
Inmate and Ward Trust Fund	Agency	12

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Preparation of GAAP Basis Financial Statement Templates (Attachments 8-12), Continued

Agencies required to submit templates (Continued)

Agency / Fund	Fund Type	Attachment Number
Department of MHMR and SAS – Local Funds:		
Special Revenue Fund	Special Revenue	8
Permanent Fund	Permanent	8
Canteen and Local Activity Fund	Enterprise	9
Non-patient Agency Fund	Agency	12
Patient / Resident Fund	Agency	12
Department of Mines, Minerals, and Energy		
Mined Land Deposit Trust Fund	Agency	12
Department of Motor Vehicles		
All Off-CARS funds (contractor deposits)	Agency	12
Department of Professional and Occupational Regulation		
Contractor's Transaction Recovery Act Fund	Special Revenue	8
Virginia Real Estate Transaction Recovery Fund	Special Revenue	8
Department of Transportation		
Debt Service Fund	Debt Service	8
Pocahontas Parkway Association	Enterprise	9
GLA 540 – Guarantee Deposits	Agency	12
Department of Treasury (See Supplemental Information section)		
Virginia Public Building Authority-Cap. Project	Capital Project	8
Virginia Public Building Authority-Debt Service	Debt Service	8
Risk Management Enterprise Funds	Enterprise	9
Risk Management Internal Service Funds	Internal Service	10
Unclaimed Property of the Commonwealth	Private Purpose	11
Unclaimed Property of Other States	Agency	12
Deposits of Insurance Carriers (Insurance Collateral)	Agency	12
Commuter Rail	Agency	12
Gunston Hall		
Off-CARS Museum Collections Fund	Special Revenue	8
Library of Virginia		
Book Shop	Enterprise	9

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Preparation of GAAP Basis Financial Statement Templates (Attachments 8-12), Continued

Agencies required to submit templates (Continued)

Agency / Fund	Fund Type	Attachment Number
Rehabilitation Center for the Blind and Vision Impaired Virginia Rehabilitation Center for the Blind Trust Fund	Special Revenue	8
Science Museum of Virginia Gift Shop Enterprise Fund	Enterprise	9
State Lottery Department	Enterprise	9
Virginia College Savings Plan Virginia Prepaid Education Program Virginia Education Savings Trust and College America	Enterprise Private-purpose	9 11
Virginia Correctional Enterprises	Internal Service	10
Virginia Employment Commission Unemployment Compensation	Enterprise	9
Virginia Information Technologies Agency Virginia Information Providers' Network Wireless E-911 VITA	Enterprise Enterprise Internal Service	9 9 10
Virginia Museum of Fine Arts Special Revenue Fund Gift Shop & Food Services	Special Revenue Enterprise	8 9
Virginia School for the Deaf and Blind at Staunton – All Off-CARS Funds: Special Revenue Enterprise Fund Agency Fund	Special Revenue Enterprise Agency	8 9 12
Virginia School for the Deaf, Blind, and Multi-Disabled at Hampton – All Off-CARS Funds: Agency Fund	Agency	12
Virginia State Bar Clients' Protection Fund Administration Finance Fund	Special Revenue Special Revenue	8 8
Woodrow Wilson Rehabilitation Center Off-CARS Agency Fund	Agency	12

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Preparation of GAAP Basis Financial Statement Templates (Attachments 8-12), Continued

General financial statement template guidelines

The following guidelines apply to the GAAP basis financial statement templates that agencies prepare and submit to DOA:

- Prepare all financial statement templates in accordance with GAAP as prescribed by GASB.
- A GAAP Master List is available on DOA's web site at www.doa.virginia.gov. Click on "Financial Reporting." This non-authoritative listing has been added for informational purposes to assist in financial statement template preparation.
- Unless specific funds are listed, the agency must present all funds maintained by the agency regardless of whether the funds are recorded on CARS. This includes all trust, local, and endowment funds.
- Report materials and supplies inventories on the financial statement templates using the consumption method.
- Report prepayment balances as of June 30 on the financial statement template using the consumption method
- Record any applicable lag pay accruals in the financial statement templates. At a minimum, this will require recording of the July 2 (June 10-24 pay period) and a portion of the July 16 (June 25-30 pay period) paychecks. These amounts should be recorded on the salary/wage line item.

Use the criteria in **GASBS No. 14**, as modified to reflect **GASBS No. 39**, *Determining Whether Certain Organizations Are Component Units*, to evaluate which organizations are included in the financial reporting entity.

- Attachment 3 outlines the requirements of **GASBS No. 14**, as modified to reflect **GASBS No. 39**.
- Return the completed Attachment 3 for each organization evaluated by **July 19, 2007**.
- Be aware of legislative changes for fiscal year 2007.

Refer to the **GASBS No. 34 - Financial Reporting Model Overview** and the **Additional Guidelines for Preparation of GAAP Basis Fund Financial Statement Templates** sections in this Directive for further guidance on preparation of the financial statement templates.

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Preparation of GAAP Basis Financial Statement Templates (Attachments 8-12), Continued

[GASBS No. 28](#) reporting for securities lending amounts invested in the General Account

For those agencies that must submit GAAP basis financial statement templates, **DOA will provide** asset, liability, income, and expense amounts for the agencies' share of securities lending transactions, **if any**, held in the General Account of the Commonwealth. This information will be provided in a separate document.

[GASBS No. 33](#) and [GASBS No. 36](#)

Nonexchange transactions must be reported in accordance with **[GASBS No. 33](#)** and **[GASBS No. 36](#)** (see also **[GASBS No. 33 – Nonexchange Transactions Overview](#)** section in this Directive).

[GASBS No. 34 /](#) [GASBS No. 37 /](#) [Interpretation](#) [No. 6](#)

[GASBS No. 34](#), **[GASBS No. 37](#)**, and **[GASB Interpretation No. 6](#)** established significant revisions to the financial reporting model (see also **[GASBS No. 34 – Financial Reporting Model Overview](#)** section in this Directive).

[GASBS No. 38](#)

[GASBS No. 38](#), *Certain Financial Statement Note Disclosures*, establishes and modifies disclosure requirements related to the summary of significant accounting policies, actions taken to address violations of significant finance-related legal and contractual provisions, debt and lease obligations, short-term debt, disaggregation of receivable and payable balances, and interfund balances and transfers.

[GASB](#) [Technical](#) [Bulletin 2003-1](#)

[GASB Technical Bulletin 2003-1](#), *Disclosure Requirements for Derivatives Not Presented at Fair Value on the Statement of Net Assets*, provides guidance on derivative disclosures.

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Preparation of GAAP Basis Financial Statement Templates (Attachments 8-12), Continued

GASBS No. 39 **GASBS No. 39**, *Determining Whether Certain Organizations Are Component Units*, amends **GASBS No. 14**, and provides criteria for determining whether certain organizations should be reported as component units based on the nature and significance of their relationship with the primary government. **GASBS No. 39** also provides reporting requirements for such organizations.

GASBS No. 40 **GASBS No. 40**, *Deposit and Investment Risk Disclosures*, amends **GASBS No. 3** by updating the custodial credit risk disclosure requirements and by establishing more comprehensive disclosure requirements for other common risks of deposits and investments.

GASBS No. 42 **GASBS No. 42**, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*, requires evaluation of events and circumstances that might impair the value of capital assets. It also provides guidance on reporting permanently impaired capital assets and all insurance recoveries.

Attachments 8, 9, 10, 13A, 17, and 20 gather this information for CAFR reporting. Agencies that may have impaired capital assets should read and understand the requirements of **GASBS No. 42**.

GASBS No. 44 **GASBS No. 44**, *Economic Condition Reporting: The Statistical Section*, modifies the reporting guidelines for the Statistical Section in the CAFR.

GASBS No. 46 **GASBS No. 46**, *Net Assets Restricted by Enabling Legislation*, provides additional clarification and reporting guidance on net assets that are restricted as a result of enabling legislation.

GASBS No. 47 **GASBS No. 47**, *Accounting for Termination Benefits*, provides accounting and reporting guidance for state and local governments that offer benefits such as early retirement incentives or severance to employees that are involuntarily terminated.

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Preparation of GAAP Basis Financial Statement Templates (Attachments 8-12), Continued

Guidelines for financial statement template work papers

The following guidelines apply to the preparation of financial statement template work papers:

- Prepare work papers that clearly support the preparation of the financial statement templates.
- Fully reconcile work papers to final CARS closing reports.
- Provide an adequate crosswalk and audit trail from the work papers to the financial statement template. For governmental funds, this must include the adjusting entries for converting from the fund statement information to the government-wide statement information.
- The following work papers are required but are not all-inclusive:
 - Trial balances of funds maintained on CARS
 - Trial balances of funds that are not maintained on CARS
 - Trial balances of government-wide financial statements
 - Reconciliation between government-wide financial statement information and fund statement information, including adjusting journal entries and supporting documentation
 - Itemized listing of capitalized fixed assets as of year-end which reconciles to the agency's internal accounting system and / or CARS, if applicable
 - Itemized listing of accounts receivable, allowance for doubtful accounts, and accounts payable

Work papers and agency supporting internal records should be ready for APA review by **August 16, 2007**.

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GASBS No. 33 – Nonexchange Transactions Overview

Definition of nonexchange transactions

Nonexchange transactions are those transactions where a government gives (or receives) value **without** directly receiving (or giving) equal value in return. **GASBS No. 33**, *Accounting and Financial Reporting for Nonexchange Transactions*, and **GASBS No. 36**, *Recipient Reporting for Certain Shared Nonexchange Revenues*, provide guidance on reporting nonexchange transactions. The four types of nonexchange transactions are as follows:

Derived Tax Revenues – assessments imposed by governments on exchange transactions.

Imposed Nonexchange Transactions – assessments by governments on nongovernmental entities, including individuals, other than assessments on exchange transactions.

Government-mandated Nonexchange Transactions – a government at one level provides resources to a government at another level and requires that government to use the resources for a specific purpose or purposes established by the provider's enabling legislation.

Voluntary Nonexchange Transactions – result from legislative or contractual agreements, other than exchanges, entered into willingly by two parties.

Derived tax revenue – recognition requirements

Examples: sales taxes, personal and corporate income taxes, motor fuel taxes, and similar taxes on earnings or consumption

Asset Recognition:

Period when underlying exchange has occurred or when resources are received, whichever is first.

Revenue Recognition:

Period when underlying exchange has occurred. (Report advance receipts as unearned revenues.) When modified accrual accounting is used, resources also should be available.

Continued on next page

GASBS No. 33 – Nonexchange Transactions Overview, Continued

Examples: property taxes, most fines and forfeitures

Asset Recognition:

Period when an enforceable legal claim has arisen or when resources are received, whichever is first.

Revenue Recognition:

Period when resources are required to be used or first period that use is permitted. When modified accrual accounting is used, resources also should be available.

**Government-
mandated /
voluntary
nonexchange
transactions –
recognition
requirements**

Examples: government-mandated nonexchange transactions – federal government mandates on state and local governments / voluntary nonexchange transactions – certain grants and entitlements, most donations

Asset and Liability Recognition:

Period when all eligibility requirements have been met or (for asset recognition) when resources are received, whichever is first.

Revenue and Expense / Expenditure Recognition:

Period when all eligibility requirements have been met. (Report advance receipts or payments for use in the following period as unearned revenues or advances, respectively.) When modified accrual accounting is used for revenue recognition, resources also should be available.

Note: Eligibility requirements are discussed on the following page.

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GASBS No. 33 – Nonexchange Transactions Overview, Continued

Revenue transactions that do not meet the revenue recognition requirements in **GASBS No. 33** and **GASBS No. 36** must be reclassified as unearned revenue. Expense / expenditure transactions that do not meet the expense / expenditure recognition requirements in **GASBS No. 33** must be reclassified as an advance. That is, until those requirements are met, the provider does not have a liability or recognize an expense / expenditure.

Eligibility requirements

The eligibility requirements are conditions established by enabling legislation or by the provider that must be met before a **nonexchange** transaction can occur. The eligibility requirements are:

- **Required characteristics of recipients:** The recipient has the characteristics specified by the provider. (For example: Under a certain federal program, recipients are required to be states & secondary recipients are required to be school districts.)
- **Time requirements:** Time requirements specified by enabling legislation or by the provider have been met. (For example: The period when the resources are required to be used, or when use may begin.)
- **Reimbursements:** The provider offers resources on a reimbursement (expenditure driven) basis, and the recipient has incurred allowable costs under the applicable program.
- **Contingencies (applies only to voluntary nonexchange transactions):** The provider's offer of resources is contingent upon a specified action of the recipient and that action has occurred.

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GASBS No. 33 – Nonexchange Transactions Overview, Continued

GASBS No. 33, paragraph 11 states that under either basis of accounting (modified accrual or accrual), recognition of transactions is only required if the transactions are measurable (reasonably estimable) and probable of collection. **GASBS No. 33** requires footnote disclosure of transactions that are not recognizable because they are not measurable.

If applicable, agencies that are required to submit financial statement templates must disclose this information.

If applicable, agencies not required to submit financial statement templates on certain funds must provide this disclosure to DOA on Attachment 15, **GASBS No. 33** Expenditure and Revenue Analysis.

Obtaining information from agencies

GASBS No. 33 and **GASBS No. 36** requirements must be followed when preparing GAAP basis financial statement templates (Attachments 8-12), supplemental information, and other attachments.

The following attachments are to obtain **GASBS No. 33** and **GASBS No. 36** information on funds not included in financial statement templates:

- Attachment 15, **GASBS No. 33** Expenditure and Revenue Analysis
- Attachment 24, **GASBS No. 33** Federal Fund Analysis – Advance Funded / Block Grants

Agencies should refer to GASB statements for additional guidance and examples of nonexchange transactions and eligibility requirements.

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GASBS No. 34 – Financial Reporting Model Overview

Background

GASBS No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*, modified the financial reporting requirements for governmental entities. **GASB Interpretation No. 6**, *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*, clarifies the application of standards for modified accrual recognition of certain liabilities and expenditures in areas where differences have arisen, or could arise, in interpretation and practice. **GASBS No. 37**, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments: Omnibus*, clarifies certain provisions in **GASBS No. 34**.

For additional guidance regarding **GASBS No. 34** please refer to the most current Comprehensive Implementation Guide issued by GASB in 2006.

Resources

Resources can be accessed as follows:

Resource	Source
GASB Statements and related Implementation Guides	www.gasb.org
<i>Governmental Accounting, Auditing, and Financial Reporting 2005 Edition – Using the GASB 34 Model</i>	www.gfoa.org

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GASBS No. 34 – Financial Reporting Model Overview, Continued

Requirements

Each agency must follow **GASBS No. 34, GASBS No. 37, GASB Interpretation No. 6, and the Implementation Guides** when preparing the GAAP Basis financial statement templates, other attachments, and / or supplemental information.

Any reference to GASBS No. 34 in this section means GASBS No. 34, GASBS No. 37, GASB Interpretation No. 6, and the Implementation Guides.

The following sections provide some of the **GASBS No. 34** requirements. This is **not a complete listing**.

The following is a listing of minimum requirements for the CAFR and / or agency published financial statements:

- Management Discussion and Analysis
- Basic Financial Statements:
 - Government-wide financial statements (governmental funds only)
 - Fund financial statements
 - Reconciliation between government-wide and fund financial statements
 - Notes to the financial statements
- Required Supplemental Information

Note: DOA will obtain the aforementioned requirements through financial statement templates (Attachments 8-12), other attachments, and supplemental information submissions.

Continued on next page

GASBS No. 34 – Financial Reporting Model Overview, Continued

Requirements (Continued)

- The statement requires the addition of the Management Discussion and Analysis section. (**Note:** For CAFR reporting requirements, DOA will obtain this information from selected agencies in Attachment 19, Management Discussion and Analysis.)
- The statement requires a Government-wide Statement of Net Assets and Statement of Activities. These statements are on the economic resources measurement focus and full accrual basis of accounting. The fund statements for governmental funds are on a current resources measurement focus and modified accrual basis of accounting. The government-wide and fund statements must be reconciled.
- Government-wide Statement of Net Assets and Proprietary Fund Statement of Net Assets have the following net asset line items: Invested in Capital Assets, Net of Related Debt; Restricted (by description); and Unrestricted.
- Government-wide Statement of Activities has different revenue classifications than the fund statements.
- All infrastructure assets must be reported in the agency's financial statements.

It is recommended that agencies read GASBS No. 34, GASBS No. 37, GASB Interpretation No. 6, and the Implementation Guides before preparing financial statement templates.

Continued on next page

GASBS No. 34 – Financial Reporting Model Overview, Continued

Funds

DOA analyzes and determines the reporting classifications for all CAFR funds. **DOA will contact agencies for assistance to determine the proper fund classifications for new funds.** Refer to **GASBS No. 34** for definitions of each fund. Below is a listing of the funds:

Governmental Funds:

- General
- Special Revenue
- Capital Projects
- Debt Service
- Permanent

Proprietary Funds:

- Enterprise
- Internal Service

Fiduciary Funds:

- Pension (and other employee benefit) Trust
- Investment Trust
- Private-purpose Trust
- Agency

Note: The General Long-term Debt and General Fixed Asset Account Groups do not exist under **GASBS No. 34**. Activity related to long-term debt and capital assets for governmental funds is reported in the Government-wide Statement of Net Assets and Statement of Activities under the full accrual basis of accounting and economic resources measurement focus.

Continued on next page

GASBS No. 34 – Financial Reporting Model Overview, Continued

Fund financial statements

FUND FINANCIAL STATEMENTS:

Governmental fund statements are presented on the modified accrual basis of accounting / current resources measurement focus and include a

- Balance Sheet, and
- Statement of Revenues, Expenditures, and Changes in Fund Balance.

Proprietary fund statements are presented on the full accrual basis of accounting / economic resources measurement focus and include a

- Statement of Net Assets,
- Statement of Revenues, Expenses, and Changes in Fund Net Assets, and
- Statement of Cash Flows (Direct method).

Fiduciary fund statements are presented on the full accrual basis of accounting / economic resources measurement focus and include a

- Statement of Fiduciary Net Assets, and
- Statement of Changes in Fiduciary Net Assets.

Continued on next page

GASBS No. 34 – Financial Reporting Model Overview, Continued

Government- wide financial statements

GOVERNMENT-WIDE FINANCIAL STATEMENTS:

The government-wide financial statements are reported using the full accrual basis of accounting / economic resources measurement focus and present aggregate totals for the governmental funds and business-type activities (proprietary funds) in separate columns. These columns are then added to provide a primary government total. The government-wide financial statements include two separate statements.

- Statement of Net Assets (similar to a balance sheet)
- Statement of Activities (similar to an operating statement)

The 2005 GAAFR includes examples of how to convert the fund statements to the government-wide financial statements.

GASBS No. 34 also requires the following reconciliations:

- Reconciliation between the fund balance on the Balance Sheet and the Net Assets of governmental activities on the Statement of Net Assets
- Reconciliation between the total change in governmental fund balances and the change in net assets of governmental activities on the Statement of Activities

Continued on next page

GASBS No. 34 – Financial Reporting Model Overview, Continued

Converting entries

Below are a few examples of entries needed to convert governmental fund modified accrual basis statements to government-wide full accrual basis statements. **This is not a complete listing of all conversion entries needed.**

- Capital assets and long-term liabilities must be reported on the government-wide statements.
- Expenditures to acquire capitalized fixed assets must be recorded as a debit to capital assets rather than to expenditures.
- Gain / loss on the sale of capital assets must be recorded.
- Depreciation expense on capital assets must be recorded on the government-wide statements.
- Receivables at June 30 on the fund statements and government-wide statements are equivalent; however, the receivables to be received after August 31 must be reported as revenue on the government-wide statements and as deferred revenue on the fund statements.
- Revenue must be reported as general revenue or program revenue / function rather than by revenue class.

As noted on the previous page, the 2005 GAAFR provides examples of converting the fund statements to government-wide statements.

Agencies not required to prepare financial statement templates (Attachments 8-12) will provide various attachments and / or supplemental information necessary for DOA to convert to the government-wide financial statements.

Exceptions to government-wide financial statements

Fiduciary fund activity is **not** reported in the government-wide financial statements. This information is only reported in the fund financial statements.

Governmental funds and enterprise funds government-wide financial information is obtained from the financial statement templates. Internal service fund government-wide statement information is obtained from Attachment 18, Internal Service Funds – Conversion to Government-wide Statement of Activities.

Continued on next page

GASBS No. 34 – Financial Reporting Model Overview, Continued

Calculation of material funds for governmental and proprietary funds

The focus of governmental and proprietary fund financial statements is on major funds. Fund statements should be presented with each major fund in a separate column. Nonmajor funds should be aggregated in a single column. **GASBS No. 34** does not require combining statements for nonmajor funds; however, the Commonwealth will reflect combining statements as required for CAFR reporting. Accordingly, each agency preparing financial statement templates **must not** aggregate non-major CAFR reporting funds into a single financial statement template. In order to provide uniformity among state and local governments, the GASB requires that the General Fund always be considered a major fund. The statement also requires that other governmental or enterprise funds meeting the following criteria be considered major funds.

- Total assets, liabilities, revenues OR expenditures / expenses of the individual fund $\geq 10\%$ of the corresponding total (assets, liabilities, etc.) for all funds of that category (i.e., total governmental OR enterprise funds)

AND

- Total assets, liabilities, revenues OR expenditures / expenses of the individual fund $\geq 5\%$ of the corresponding total for ALL governmental and enterprise funds combined

Note: When determining whether the 10% and 5% criteria have been met, the analysis should compare the same financial statement grouping (i.e., assets, liabilities, revenues, or expenditures/expenses) for both criteria. The statement also allows management to report funds not meeting the above criteria as major funds *if* management believes that those funds are particularly important to the financial statements.

Continued on next page

GASBS No. 34 – Financial Reporting Model Overview, Continued

Statement of Net Assets – overview

Assets and liabilities must be in order of relative liquidity or presented in a classified format to identify current (converted to cash within one year / due within one year) and noncurrent assets and liabilities (converted to cash in greater than one year / due in greater than one year). If the classified format is not used, liabilities with average maturities greater than one year must be reported separately as amounts due within one year and amounts due in greater than one year. **Proprietary funds must use the classified format.**

Cash and cash equivalents (original maturity of 90 days or less) must be reported separately from investments (original maturity of greater than 90 days). Distinguish between Cash and Cash Equivalents with the Treasurer, Cash and Cash Equivalents not with the Treasurer, Investments with the Treasurer, and Investments not with the Treasurer.

Depreciable and nondepreciable capital assets must be reported on separate line items. This does not apply to the Balance Sheet for Governmental Funds because capital assets are not reported on those statements. Capital Assets are only reported in the Government-wide Statement of Net Assets for Governmental Funds.

For the Statement of Net Assets, the fund balance / retained earnings and contributed capital are called net assets under **GASBS No. 34** and must be displayed in three broad components:

- 1. Invested in capital assets, net of related debt**
- 2. Restricted (including a description of each type of restriction)**
- 3. Unrestricted**

The following sections provide definitions of Invested in Capital Assets, Net of Related Debt, and Restricted Net Assets. **Unrestricted** net assets consist of net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

Continued on next page

GASBS No. 34 – Financial Reporting Model Overview, Continued

Statement of Net Assets – Invested in Capital Assets, Net of Related Debt

This component of net assets consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other **borrowings** that are attributable to the acquisition, construction, or improvement of those assets. This component does not include accounts payable related to capital assets because an accounts payable is not considered a borrowing. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds should not be included in the calculation of invested in capital assets, net of related debt. Rather, that portion of the debt should be included in the same net asset component as the unspent proceeds - for example, restricted for capital projects.

Statement of Net Assets – Restricted Net Assets

Restricted net assets should be reported as restricted, including a description of the restriction, when constraints placed on net asset use are either:

- externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or
- imposed by law through constitutional provisions or enabling legislation.

GASBS No. 34 Implementation Guide, question 95 states the following: “The basic concept is that restrictions are not unilaterally established by the reporting government itself and cannot be removed without the consent of those imposing the restrictions or through formal due process.” **Any resources that are classified as program revenue – operating or capital grants & contributions are restricted.**

If restricted net assets include amounts related to permanent endowments or permanent fund principal, the expendable and nonexpendable components must be reported separately.

- See **GASBS No. 34** for further guidance on restricted net assets.

DOA will contact agencies, as needed, to obtain information to appropriately report restrictions in the CAFR.

Continued on next page

GASBS No. 34 – Financial Reporting Model Overview, Continued

Statement of Activities – revenue classification

GASBS No. 34 requires revenue to be classified as one of the following on the Government-wide Statement of Activities:

- General Revenue
- Contributions to Term and Permanent Endowments and Contributions to Permanent Fund Principal
- Program Revenue – Charges for Goods / Services
- Program Revenue – Operating Grants and Contributions
- Program Revenue – Capital Grants and Contributions

Program revenue must also be classified by expenditure function.

Statement of Activities – expenditure functions for program revenue

GASBS No. 34 requires that program revenues be presented as a reduction of the total expense of the benefiting function; therefore, expenditure functions (general government, education, resources & economic development, etc.) must be assigned to revenues. For **charges for services**, this is the function that generates the revenue. For **grants and contributions**, this is the function to which the revenues are restricted.

Continued on next page

GASBS No. 34 – Financial Reporting Model Overview, Continued

Statement of Activities – General Revenue

All revenues are general revenues unless the revenues are required to be reported as program revenues. General revenues consist of the following categories:

- Taxes (source codes 01xxx)
- Investment Earnings
- Grants & Contributions Not Restricted to Specific Programs
- Miscellaneous

All taxes, even those that are levied for a specific purpose (for example, sales tax, property tax, franchise tax, income tax) are general revenues. All other non-tax revenues (including interest, grants and contributions) that do not meet the criteria to be reported as program revenues should also be reported as general revenues.

Statement of Activities – Contributions to Term and Permanent Endowments

Contributions to term and permanent endowments and contributions to permanent fund principal must be reported as a separate revenue line item. Permanent endowment and permanent fund principal is not expendable. Term endowment principal is not expendable until after a specified time period or after a designated event.

Continued on next page

GASBS No. 34 – Financial Reporting Model Overview, Continued

Statement of Activities – Program Revenue

The following are descriptions of the classifications of program revenue.

- **Charges for Goods / Services** – include revenues based on exchange or exchange-like transactions. These revenues arise from charges to customers or applicants who purchase, use or directly benefit from the goods, services, or privileges provided or are otherwise directly affected by the services. **Source codes 02xxx – Rights & Privileges, 03xxx – Sales of Property, 05xxx – Assessments, and 08xxx – Fines, Fees & Forfeitures should be classified as Charges for Goods / Services. These are not the only source codes that may be classified as charges for goods / services.**
- **Operating Grants and Contributions** – include revenues arising from mandatory and voluntary nonexchange transactions with other governments, organizations, or individuals that are restricted for use in a particular program. Grants and contributions that may be used either for operating expenses or for capital expenditures of the program at the discretion of the reporting government should be reported as Operating Grants and Contributions.
- **Capital Grants and Contributions** – include revenues arising from mandatory and voluntary nonexchange transactions with other governments, organizations, or individuals that are restricted for use in a particular program. Some grants and contributions consist of capital assets or resources that are restricted for capital purposes (to purchase, construct, or renovate capital assets associated with a specific program). These items should be reported as Capital Grants and Contributions.

Multipurpose Grants (grants that provide financing for more than one program) – should be reported as program revenue if the amounts restricted to each program are specifically identified in either the grant award or the grant application. Multipurpose grants that do not provide for specific identification of the programs and amounts should be reported as General Revenues.

Earnings on endowments or permanent fund investments should be reported as program revenues if restricted to a program specifically identified in the endowment or permanent fund agreement or contract. However, these earnings should be reported as General Revenue if the earnings are used to finance general operating expenses. Earnings on investments not held by permanent funds also may be legally restricted to specific functions or programs. For example, interest earnings on State grants may be required to be used to support a specific program.

Continued on next page

GASBS No. 34 – Financial Reporting Model Overview, Continued

Government-wide revenue classifications for funds not included in financial statement templates

DOA has analyzed revenue source codes not included in agency prepared financial statement templates for fiscal year 2007 based on CARS activity and communication with selected agencies. Agencies not required to prepare financial statement templates must refer to the **GASBS No. 34 Government-wide Revenue Classification Table** on DOA's website at www.doa.virginia.gov. Click on the "Financial Reporting" link, then click on "Financial Statement Directives." Agencies can look up an agency, fund / fund detail, and source code to obtain the proper **GASBS No. 34** government-wide revenue classification to record on attachments and / or supplemental information. For any new revenue source codes, DOA will contact agencies to determine the proper classifications. **Note: This table will be available in mid-July 2007.**

Fund financial statements – overview

GASBS No. 34 did **not** significantly change the fund statements. Some of the changes are explained in the following sections.

Balance Sheet / Statement of Net Assets – all funds

GASBS No. 34 requires that cash and cash equivalents be reported on a separate line item from investments.

Continued on next page

GASBS No. 34 – Financial Reporting Model Overview, Continued

Fund financial statements – proprietary funds

- Statement of Net Assets must be prepared in the **classified format**.
- For the Statement of Net Assets, the retained earnings and contributed capital are components of net assets and must be displayed as follows: Invested in Capital Assets Net of Related Debt, Restricted (including a description), and Unrestricted. **In some cases, this reporting will result in a negative net asset unrestricted balance.** See the following example for reporting total net assets (formerly retained earnings / contributed capital) of \$1,000,000:

Invested in Capital Assets, Net of Related Debt	\$2,500,000
Restricted Net Assets,	0
Unrestricted Net Assets	<u>(\$1,500,000)</u>
Total Net Assets	<u>\$1,000,000</u>

- Current year contributed capital activity should be reported in the nonoperating section of the Statement of Revenues, Expenses, and Changes in Fund Net Assets.
- The Cash Flows from Operating Activities section of the Statement of Cash Flows should include the following two line items for reciprocal interfund services provided and used activity:

Internal Activity – Payments to Other Funds
Internal Activity – Payments from Other Funds

- For Internal Service Funds only – financial statement templates must be prepared in **GASBS No. 34** format for gross amounts before internal activity and balances can be eliminated by DOA. **GASBS No. 34** states that internal activity and balances should be eliminated from the Government-wide Statement of Activities. This elimination removes the doubling up effect of reporting the original disbursement activity in the paying funds and in the internal service fund. An attachment is provided to eliminate the internal activity and convert amounts to the Government-wide Statement of Activities.

Continued on next page

GASBS No. 34 – Financial Reporting Model Overview, Continued

Fund financial statements – fiduciary funds

- All fiduciary funds must be reported on the full accrual basis of accounting and the economic resources measurement focus.
 - Investments must be provided by investment type (i.e., bonds, stocks, etc.) on the Statement of Fiduciary Net Assets.
-

Additional information

See also the **Additional Guidelines for Preparation of GAAP Basis Fund Financial Statement Templates** section in this Directive.

Management Discussion and Analysis

Agencies required to prepare individually published financial statements may opt to prepare a Management Discussion and Analysis (MD&A) in narrative form. Selected agencies must complete Attachment 19, Management Discussion and Analysis, for CAFR reporting.

Note: Refer to **GASBS No. 34**, paragraphs 8-11, for additional guidance if the agency prepares MD&A for individually published financial statements.

Continued on next page

GASBS No. 42 – Impairment of Capital Assets and Insurance Recoveries Overview

Purpose

GASBS No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*, requires evaluation of events and circumstances that might impair the value of capital assets and how this activity should be reported and disclosed. **GASBS No. 42** defines “impairment” as an unexpected and significant decline in service utility of a capital asset. It also provides guidance on all insurance recoveries even those not related to impaired capital assets (i.e. embezzlements, thefts). Agencies that may have impaired capital assets must read and understand the requirements of **GASBS No. 42**.

Identify potential impairment

A determination must first be made as to whether an agency has a possible impairment of a capital asset. Some indicators of impairment are as follows:

- physical damage
- enactment or approval of laws, regulations, or other changes in environmental factors
- technical development or evidence of obsolescence
- change in manner or expected duration of a capital asset’s use
- construction stoppage

The events or circumstances that could indicate an impairment would be prominent and known to the government.

Continued on next page

GASBS No. 42 – Impairment of Capital Assets and Insurance Recoveries Overview, Continued

Once a potential impairment has been identified, the following two factors must be met for a capital asset to be considered impaired:

- The magnitude of the decline in service utility is significant.
- The decline in service utility is unexpected.

Only assets that are significant to a fund should be tested for potential impairment. For Governmental type entities “significant” is defined as a decline of \$1,000,000 for all asset categories. Proprietary-type agencies should use professional judgment to determine what is “significant”. Impairment losses recognized in accordance with this policy should not be reversed in a future year, even if events or circumstances that caused the impairment have changed.

Note: If a capital asset does not meet the requirements of this impairment test, the remaining useful life and salvage value may need to be reevaluated and changed on a prospective basis.

Impairment loss

Impairment Loss Amount for Permanently Impaired Capital Assets:

Permanently impaired capital assets that will **continue to be used** by the agency must be written down to properly reflect the decline in service utility using one of the following methods: restoration cost approach, service units approach, and deflated depreciated replacement cost approach.

Permanently impaired capital assets that **will no longer be used** by the agency and construction stoppage must be reported at the lower of carrying value or fair value.

Note: Generally, an impairment should be considered permanent; however, in some cases it may be considered temporary. If it is considered temporary, the capital asset should not be written down.

Continued on next page

GASBS No. 42 – Impairment of Capital Assets and Insurance Recoveries Overview, Continued

An impairment loss that took place during the current fiscal year must be reported as follows:

- Statement of Activities (business-type & governmental): program expense, special item, or extraordinary item
- Statement of Revenues, Expenses, and Changes in Fund Net Assets (proprietary funds): operating expense, special item, or extraordinary item

If the impairment loss took place in prior years and was not previously recognized, beginning net assets should be restated.

Also, per **GASBS No. 42** paragraph 21, if insurance recoveries are in the same year as the impairment loss, the impairment loss should be reported net of the associated insurance recovery. Per **GASBS No. 42** paragraph 17 footnote 6, this guidance also applies to insured impairments that result in an accounting gain.

Disclosure of impairment loss

A description of the impairment loss, financial statement line item, and amount must be disclosed, if not apparent from the face of the financial statements.

Disclosure of impaired capital assets – idle at year-end

The carrying amount of any permanently or temporarily impaired capital assets that are idle as of year-end must be disclosed.

Continued on next page

GASBS No. 42 – Impairment of Capital Assets and Insurance Recoveries Overview, Continued

Insurance recoveries should be reported as follows:

All insurance recoveries related to impaired capital assets and any other insurance recoveries (i.e. embezzlement, theft, etc.) should be reported as follows:

- Governmental Fund Financial Statements - other financing source or extraordinary item

Insurance recoveries for capital assets impaired in prior years and other insurance recoveries not related to impaired capital assets:

- Government-wide Financial Statements (business-type & governmental) - program revenues or extraordinary item
- Statement of Revenues, Expenses, and Changes in Fund Net Assets (proprietary funds) - nonoperating revenue or extraordinary item

Note: As previously discussed, the impairment loss for capital assets impaired in the current year must be reported net of current year insurance recoveries.

Disclosure of insurance recoveries

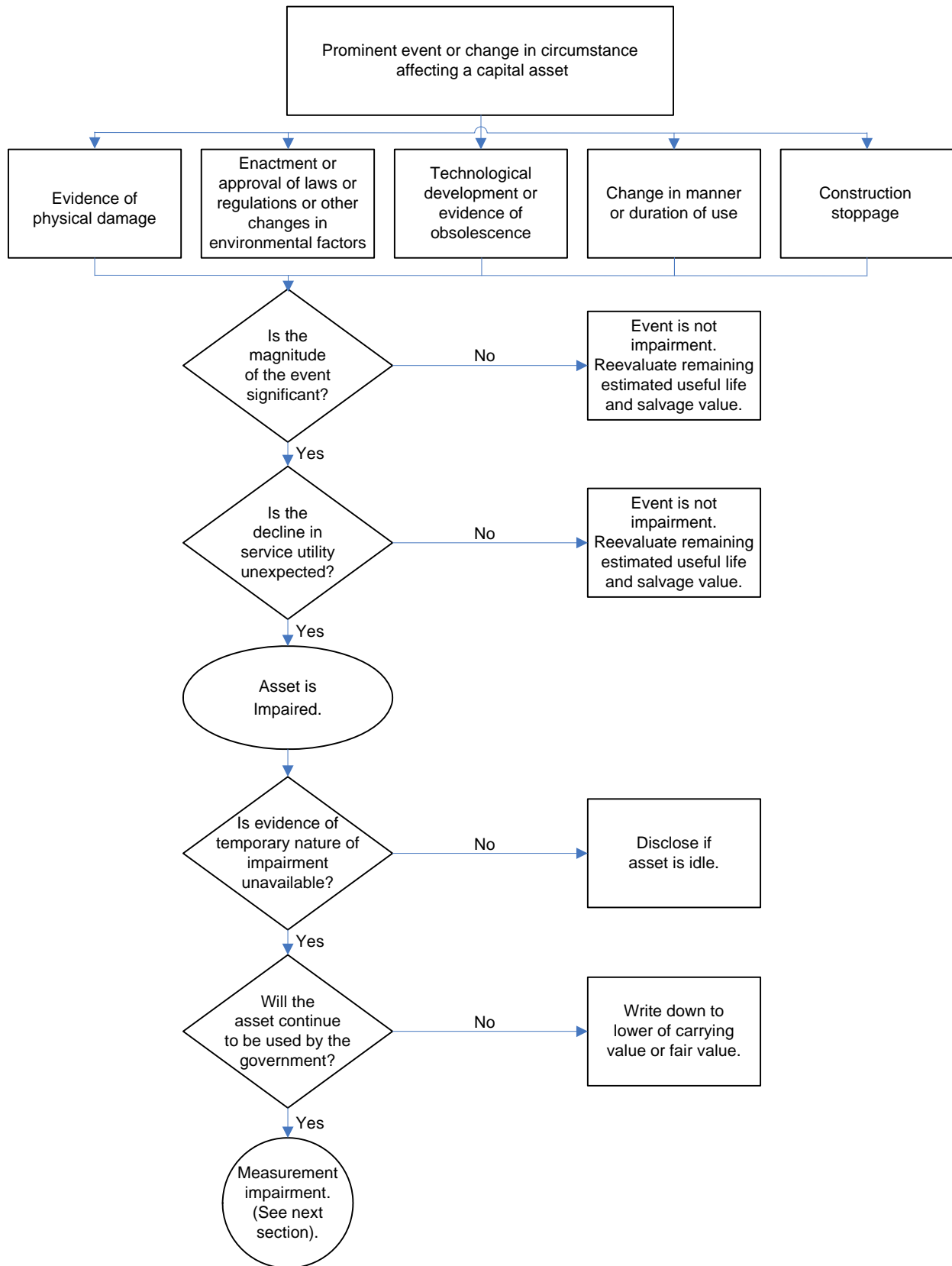
The amount and financial statement line item of insurance recoveries must be disclosed if not apparent from the face of the financial statements.

Flowchart for Impairment Disclosure

The following page contains a flowchart for determining Asset Impairment.

Continued on next page

ASSET IMPAIRMENT DECISION PROCESS



GASBS No. 42 – Impairment of Capital Assets and Insurance Recoveries Overview, Continued

Measuring the Impairment of Capital Assets

Asset no longer used and construction stoppage

If the impaired capital asset will no longer be used, the asset should be written down to the lower of carrying value or fair value. Capital assets impaired from construction stoppage should also be written down to the lower of carrying or fair value. If the fair value exceeds the carrying value, it would not be appropriate to recognize a gain until the asset is sold or disposed. When the asset is sold or disposed it should be retired in the asset management system. If the carrying value exceeds the fair value, it would be appropriate to recognize a loss when the impairment event or change in circumstance occurs.

Asset will continue to be used

A description of the impairment loss, financial statement line item, and amount must be disclosed, if not apparent from the face of the financial statements. When a capital asset that will continue to be used is determined to be impaired, the amount of the impairment loss should be determined using one of the following measurement approaches:

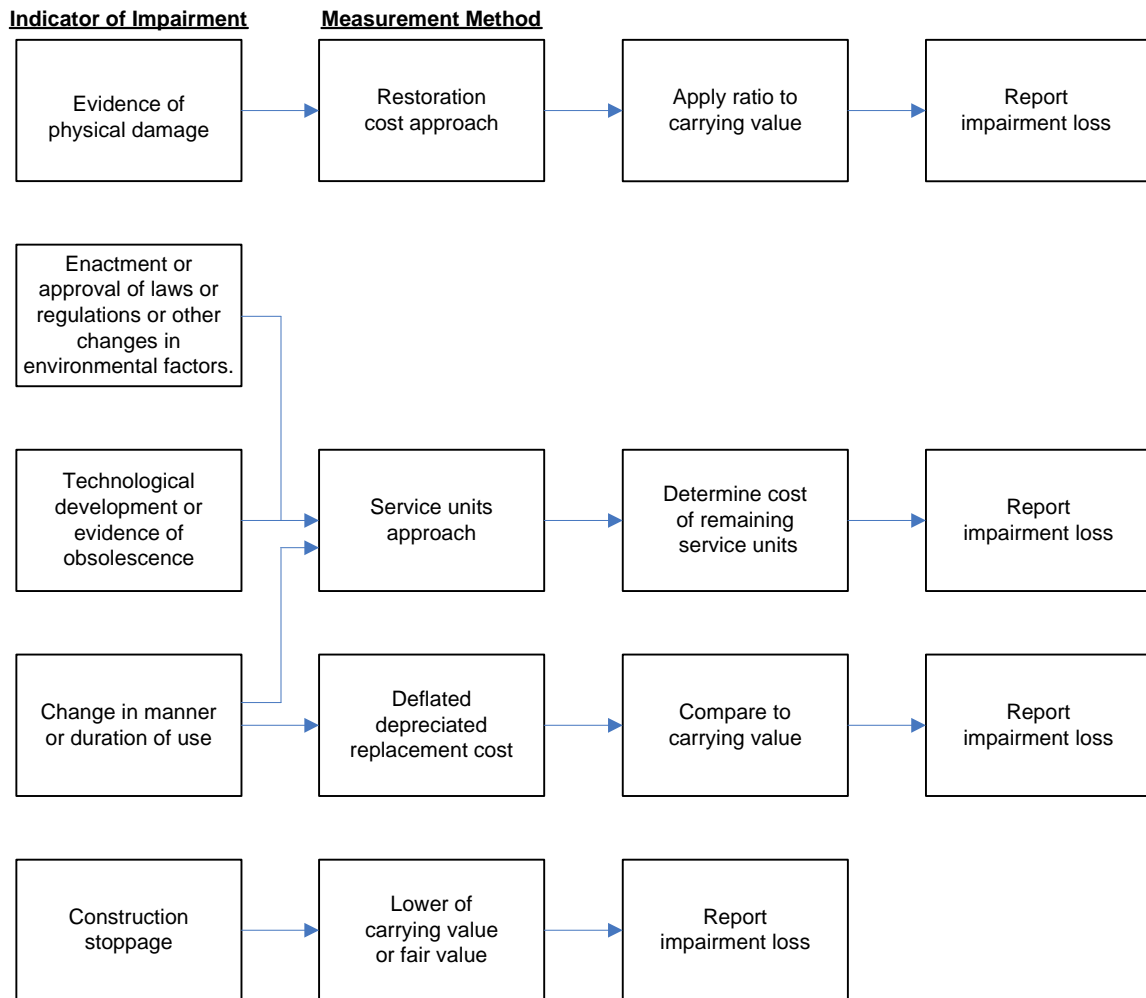
- Restoration cost approach, which is generally used to measure impairment losses from physical damage such as from fire, wind, and the like.
- Service units approach, which is generally used to measure impairment losses from environmental factors, technological changes, obsolescence, or the change in the manner or duration of use.
- Deflated depreciated replacement cost approach, which can also be used to measure impairment losses from the change in the manner or duration of use.

Ultimately, the specific method to be used should be the one that best reflects the service utility decline. The method used to measure impairment losses should be applied consistently to impairments with similar characteristics. The following flowchart is provided to help determine which impairment method should be used.

Continued on next page

GASBS No. 42 – Impairment of Capital Assets and Insurance Recoveries Overview, Continued

MEASUREMENT OF ASSET IMPAIRMENT (for assets that will continue to be used by the government)



Agencies should review **GASBS No. 42** for additional guidance on how to apply each measurement methodology.

Continued on next page

GASBS No. 42 – Impairment of Capital Assets and Insurance Recoveries Overview, Continued

Replacement or repair costs of the impaired asset

A description of the impairment loss, financial statement line item, and amount must be disclosed, if not apparent from the face of the financial statements. If an impaired asset is being repaired, the repairs should be added as an improvement or as a new asset. If a new asset is being added to replace the old asset, the new asset should be added to asset management and the old asset retired in the same manner that you would add and retire any other asset. The new asset should be added in the same year that the replacement costs are incurred and the old asset should be retired in the year it is disposed.

Additional Guidelines for Preparation of GAAP Basis Fund Financial Statement Templates

Contents

This section contains the following topics.

- Accounts Payable
 - Leases
 - Cash Transfers
 - Federal Fund Balance
 - Cash Flow Statement
 - Agency Funds – Statement of Changes in Assets and Liabilities
 - Pension Disclosures
 - Fluctuation Analysis Guidelines and Materiality Scopes
 - Other Guidelines
-

Accounts Payable

Definitions

Accounts Payable:	An obligation incurred prior to year-end (June 30) that has not been paid at or before year-end. Appropriation or budgetary considerations are NOT APPLICABLE in deciding whether an expenditure is a payable.
Revenue Refund Payable:	A Revenue Refund that the agency incurred prior to year-end (June 30) that the agency has not refunded on or before year end.

Continued on next page

Additional Guidelines for Preparation of GAAP Basis Fund Financial Statement Templates, Continued

Accounts Payable, Continued

“P” voucher process

Use the “P” voucher process to provide accounts payable and revenue refunds payable data to DOA for the modified accrual basis of accounting.

Requirements of “P” voucher process

The agency must add a “P” or “N” as the last character in the voucher number for all vouchers submitted to DOA in July and August based on the following:

- If the voucher represents an account payable or revenue refund at June 30, add a “P.”
- If the voucher does **not** represent an account payable or revenue refund at June 30, add an “N.”

During July and August, DOA will not process vouchers without a “P” or an “N.”

DOA’s fiscal year 2007 year-end agency closing instructions provide additional guidance. These instructions are available for download from DOA’s web site at www.doa.virginia.gov. Click on “General Accounting.” The agency should become familiar with these instructions prior to year-end close.

Note: The year-end agency closing instructions for “P” and “N” vouchers include guidelines to properly code vouchers in accordance with **GASBS No. 33**, *Accounting and Financial Reporting for Nonexchange Transactions*, and **GASBS No. 36**, *Recipient Reporting for Certain Shared Nonexchange Revenues*.

Continued on next page

Additional Guidelines for Preparation of GAAP Basis Fund Financial Statement Templates, Continued

Accounts Payable, Continued

Year-end reports

To assist in recording accounts payable and revenue refunds in the financial statements on a modified accrual basis of accounting, DOA provides special year-end reports.

The reports listed below provide accounts payable and revenue refund data separately for July and August and are distributed after July and August monthly closing.

- ACTB 1495 – Detail Accounts Payable Report by Agency / Fund / Fund Detail / Program / Subprogram
 - ACTB 1496 – Report of All “P” Vouchers by Agency
 - ACTB 1497 – Detail Accounts Payable Report by Agency / Fund / Program
-

Record retention

To support financial statement disclosures, for APA review, and for agency internal audit review, retain the reports on the previous page and any related summaries in conformance with the existing record retention policies.

Records must include all accounts payable and revenue refunds payable. Do not include encumbered purchase orders or those portions of purchase orders for which goods or services were not received as of June 30.

Records should indicate to which expenditure or revenue line item each account payable or revenue refund voucher is recorded in the financial statements.

Continued on next page

Additional Guidelines for Preparation of GAAP Basis Fund Financial Statement Templates, Continued

Leases

[GASBS No. 13](#)

GASBS No. 13, *Accounting for Operating Leases with Scheduled Rent Increases*, sets standards for accounting and reporting operating leases with scheduled rent increases.

How to account for operating leases with scheduled rent increases

When the pattern of the payment requirements are systematic and rational, lessee and lessor should measure revenues or expenditures for operating leases with scheduled rent increases by using the terms of the lease contract.

Examples of payment schedules that meet the above criteria follow.

- Scheduled rent increases to cover “economic factors relating to the property, such as the anticipated effects of property appreciation or increases in costs due to factors such as inflation”
- Rent payments which represent “the time pattern in which the leased property is available for the use of the lease”

When rent payments in certain periods are artificially low when viewed in the context of earlier or later payments, measure the lease transaction using **one** of the following two alternatives:

- Straight-line basis
- Estimated fair value of the rental

Lease agreements that contain non-appropriation clauses do not preclude the recording of long-term liabilities for these lease payments.

Additional resources

For additional information concerning leases, refer to the CAPP Manual Section 70600, Lease Accounting System (LAS). Refer questions to Andrew Short, Financial Analyst, by phone at (804) 225-2002 or e-mail at andrew.short@doa.virginia.gov or Bobby Eddleton, Assistant Director of Financial Reporting, by phone at (804) 225-2257 or e-mail at bobby.eddleton@doa.virginia.gov.

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Additional Guidelines for Preparation of GAAP Basis Fund Financial Statement Templates, Continued

Cash Transfers

Types of cash transfers

There are two types of cash transfers.

- Cash transfers processed with appropriation transfers
 - Operating transfers to / from other funds within the same agency
-

How to report cash transfers

Transfers should be reported as **other financing sources / uses** as described below.

1. Operating transfers from one fund to another fund either within the same agency or between two agencies to fund expenditures in the receiving fund or agency.
-

Federal Fund Balance

Overview

Agencies generally account for grants and contracts from the Federal government in a separate special revenue fund (usually in Fund 1000 on CARS).

Prior to implementation of **GASBS No. 33**, the Federal Fund balance was consistently reported as \$0, except for inventory and prepaid items. In most instances, the Federal Fund balance will still be reported as \$0 for GAAP basis statements; however, due to the effects of **GASBS No. 33**, *Accounting and Financial Reporting for Nonexchange Transactions*, and **GASBS No. 36**, *Recipient Reporting for Certain Shared Nonexchange Revenues*, further analysis is required which may result in a Federal Fund balance.

Positive balance

If all adjustments and accruals have been recorded and the ending fund balance is **positive**, the agency has cash belonging to the federal government. Since revenue was recognized when the cash was received and the funds have not yet been expended, revenue equal to the ending cash balance must be reclassified as unearned revenue.

Continued on next page

Additional Guidelines for Preparation of GAAP Basis Fund Financial Statement Templates, Continued

Federal Fund Balance, Continued

Negative balance

If all adjustments and accruals have been recorded and the ending fund balance is **negative**, the federal government has not reimbursed the agency for expenditures it incurred.

Accounts receivable and revenue equal to the ending cash balance must be recorded to recognize the revenue for expenditures incurred but not reimbursed.

Important

Before accruing a receivable and recognizing additional revenue, ensure that the agency has sufficient unexpended grant award remaining to cover the negative balance. A receivable is **not** to be accrued if the agency does not reasonably expect recovery of reported expenditures. To support the accrual of a receivable, prepare an analysis which details the amount of the grant, drawdowns, obligations incurred, and unexpended balances. Retain this analysis for APA review.

Federal Fund GASBS No. 33 Analysis

Federal Fund nonexchange transactions must be analyzed in accordance with **GASBS No. 33** and **GASBS No. 36**.

Advance Funded / Block Grants (State Agency is recipient)

Identify grants for which the agency met eligibility requirements as defined in **GASBS No. 33** and **GASBS No. 36**. Determine the ending fund balance for these grants, if any. Since ending fund balances in the federal fund were initially eliminated above, ending fund balances for these grants must be reclassified to Revenue.

All Grants (State Agency is payer)

Identify net expenditures to recipients that did not meet the eligibility requirements at fiscal year-end as defined in **GASBS No. 33**. This amount must be reclassified to an Advance.

Continued on next page

Additional Guidelines for Preparation of GAAP Basis Fund Financial Statement Templates, Continued

Cash Flow Statement

GASBS No. 9

GASBS No. 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting*, requires a Statement of Cash Flows for all proprietary funds.

Agencies with proprietary funds must complete the Statement of Cash Flows in the financial statement templates submitted to DOA.

GASBS No. 9 defines cash equivalents as short-term, highly liquid investments with original maturities of three months or less.

Noncash transactions affecting assets or liabilities must be disclosed in accordance with **GASBS No. 9**, paragraph 37.

Requirements

- The direct method must be used to prepare the Statement of Cash Flows. This method requires the preparation of a reconciliation of operating income to net cash provided by operating activities.
 - For Statement of Net Asset presentation, DOA defines cash equivalents as short-term, highly liquid investments with original maturities of **90 days or less**.
 - Include the Change in the Fair Value of Investments in the Statement of Cash Flows. This represents the change in fair value of investments that is required to be reported in accordance with **GASBS No. 31**, *Accounting and Financial Reporting for Certain Investments and for External Investments Pools*.
-

Continued on next page

Additional Guidelines for Preparation of GAAP Basis Fund Financial Statement Templates, Continued

Cash Flow Statement, Continued

GFOA requirements

The Government Finance Officers Association **requires** the following:

- Reciprocal interfund services provided and used transactions should be presented on proprietary fund cash flow statements.
 - Reciprocal interfund services provided and used transactions should be accounted for as revenues, expenditures, or expenses on the operating statement in the funds involved.
 - The amount of contractual services on the operating statement should approximate the amount of contractual services reported on the Statement of Cash Flows.
-

Reciprocal interfund services provided and used

Reciprocal interfund services provided and used transactions are transactions that would be treated as revenues, expenditures, or expenses if the transactions involved organizations that are external to the governmental unit. Examples are listed below.

- Internal service billings to departments
- Routine service charges for inspection, engineering, utilities, or similar services provided by a department financed from one fund to a department financed from another fund

Thus, if an internal service fund purchases supplies from an outside vendor and from another State agency, the transactions between the internal service fund and the other agency must be reflected separately from the vendor transactions.

Reporting guidelines

Report reciprocal interfund transactions with customers or suppliers that are part of the Commonwealth on the Statement of Cash Flows as “**Internal Activity – Payments from Other Funds**” or “**Internal Activity – Payments to Other Funds**.”

Report transactions with customers or suppliers that are not part of the Commonwealth on the Statement of Cash Flows as “Receipts for Sales and Services” or “Payments to Suppliers for Goods and Services.”

Continued on next page

Additional Guidelines for Preparation of GAAP Basis Fund Financial Statement Templates, Continued

Cash Flow Statement, Continued

Noncash flow activities

Review **GASBS No. 9** to ensure that transactions that do not have inflows or outflows of cash are not reported on the Statement of Cash Flows. Examples of items to be excluded follow.

- Bond issuance costs and underwriters' fees that were deducted from bond proceeds (Net bond proceeds received would be presented as a cash inflow in the appropriate category)
 - A debt defeasance where no cash was received
 - The "rollover" of investments, such as certificates of deposit, where no cash actually flows in or out of the fund
-

Agency Funds – Statement of Changes in Assets and Liabilities

Purpose of agency funds

Agency Funds are used to account for assets held by a government in a custodial capacity for individuals, private organizations, or other governments.

Reporting of agency funds

Agency funds report assets equal to liabilities and do not measure or report results of operations. **In accordance with GASBS No. 34, agency funds are reported on the full accrual basis of accounting.** Investments must be reported by investment type (bonds, stocks, real estate, short-term, etc.).

Reporting revenue collected

If the agency collects monies on behalf of a third party, the agency is acting in a custodial capacity for the Commonwealth. The monies collected are not generally available to the agency for expenditure.

Report monies collected and **not** remitted to the third party at June 30 as both assets and liabilities.

Report monies collected throughout the year as additions and monies remitted throughout the year to third parties as deductions.

Continued on next page

Additional Guidelines for Preparation of GAAP Basis Fund Financial Statement Templates, Continued

Pension Disclosures

[GASBS No. 25](#)

GASBS No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, establishes standards for pension plans, whether pension plan financial statements are included in the employer's financial report or in a separate financial report issued by the plan or the public employee retirement system that administers the plan.

Who is responsible for [GASBS No. 25](#)?

VRS has responsibility for complying with **GASBS No. 25** requirements. **For compliance with this Directive**, agencies do **not** have to provide any VRS related disclosures required by **GASBS No. 25**.

[GASBS No. 27](#)

GASBS No. 27, *Accounting for Pensions by State and Local Governmental Employers*, establishes standards of accounting and financial reporting for pension expenditures / expenses and related liabilities, assets, note disclosures, and required supplementary information in the financial reports of state and local government **employers**.

Who is responsible for [GASBS No. 27](#)?

DOA is responsible for reporting **GASBS No. 27** financial statement, note disclosure, and required supplementary information requirements relating to VRS pension plans. Since employees of agencies are employees of the Commonwealth, net pension obligations of the VRS pension plans are reported in the participating funds only at the CAFR level and not in agency financial statements.

However, if the agency **issues separate audited GAAP based financial statements**, the agency **must include** the following pension related footnote disclosure:

Employees of the (agency's name) are employees of the Commonwealth. The employees participate in a defined benefit pension plan administered by the Virginia Retirement System (VRS). The VRS also administers life insurance and health related plans for retired employees. Information relating to these plans is available at the statewide level only in the Commonwealth of Virginia's Comprehensive Annual Financial Report (CAFR). The Commonwealth, not the (agency's name), has overall responsibility for contributions to these plans.

Continued on next page

Additional Guidelines for Preparation of GAAP Basis Fund Financial Statement Templates, Continued

Fluctuation Analysis Guidelines and Materiality Scopes

Fluctuation analyses

Fluctuation analyses have been added to the financial statement template attachments (Attachments 8-11) to compare the current year's financial statement template activity to the prior year's financial statement template activity. Material variances must be explained. Due to the nature of the activity reported for Agency Funds (Attachment 12), no fluctuation analysis is required for those funds.

To determine the agency's materiality select the **base amount** as the larger of current year's total assets or total revenue as reported on the agency's financial statement template. Using the following table, find the row that contains the base amount. The corresponding amount in the "Materiality Scope" column is the materiality scope.

Investigate and explain any variances between current and prior year activity at the financial statement template line item level that are **greater than the materiality scope AND greater than or equal to 10%**. Disregard negative signs. Ensure the explanations are reviewed and approved by the appropriate individual. The reviewers should consider whether significant variances should be discussed with the Agency Head or designee.

If the base amount for the current fiscal year is between:	Materiality Scope is:
\$0 – \$50,000	\$1,000
\$50,001 – \$100,000	\$3,000
\$100,001 – \$500,000	\$4,000
\$500,001 – \$1,000,000	\$13,000
\$1,000,001 – \$5,000,000	\$18,000
\$5,000,001 – \$10,000,000	\$50,000
\$10,000,001 – \$50,000,000	\$80,000
\$50,000,001 – \$100,000,000	\$240,000
\$100,000,001 – \$300,000,000	\$365,000
\$300,000,001 – \$1,000,000,000	\$725,000
\$1,000,000,001 – \$3,000,000,000	\$1,775,000
\$3,000,000,001 – \$10,000,000,000	\$4,175,000
\$10,000,000,001 – \$30,000,000,000	\$10,475,000
\$30,000,000,001 – \$100,000,000,000	\$22,475,000

Continued on next page

Additional Guidelines for Preparation of GAAP Basis Fund Financial Statement Templates, Continued

Fluctuation Analysis Guidelines and Materiality Scopes, Continued

Fluctuation analysis example

Agency XXX has total assets of \$12,000,000 and total revenues of \$6,000,000. The base amount for determining materiality would be total assets of \$12,000,000. The materiality scope for the current fiscal year financial statement template would be \$80,000.

The following documents the variances that must be explained.

Line Item	Current Fiscal Year	Prior Fiscal Year	\$ Variance	% Variance	Explain
Other Assets	\$800,000	\$1,000,000	(\$200,000)	(20%)	Yes
Education Expenditure	\$400,000	\$350,000	\$50,000	14%	No
Rights and Privileges Revenue	\$350,000	\$330,000	\$20,000	6%	No

Other Guidelines

Interfund assets and liabilities

Distinguish between **“Due to / from Other Funds”** and **“Interfund Receivables / Payables.”**

“Due to / from Other Funds” are amounts owed by one fund to another within the same agency for goods sold or services rendered.

“Interfund Receivables / Payables” are loans made by one fund to another either within the same agency or in between agencies.

Within an agency’s financial statements, interfund receivables must equal interfund payables and due to other funds must equal due from other funds. Since only selected funds are reported via financial statement templates, the interfund balances **may** not net to zero for the funds reported.

Continued on next page

Additional Guidelines for Preparation of GAAP Basis Fund Financial Statement Templates, Continued

Other Guidelines, Continued

Internal use computer software costs

Include any capitalized costs for internal use software in the equipment line item. See CAPP Manual Topic 30305, "Software Purchased or Developed for Internal Use" for additional information. Refer questions to Andrew Short, Financial Analyst, by phone at (804) 225-2002 or e-mail at andrew.short@doa.virginia.gov or Bobby Eddleton, Assistant Director of Financial Reporting, by phone at (804) 225-2257 or e-mail at bobby.eddleton@doa.virginia.gov.

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Supplemental Information

Introduction

Some agencies are required to provide supplemental financial information to DOA for CAFR footnotes and schedules. These agencies and specific requirements are listed on the following pages. **Agency names are in alphabetical order.**

Submission requirements

All submissions are required to include the following information within the e-mail.

- Agency number
- Agency name
- Contact name
- Contact telephone number
- Contact e-mail address
- Date completed
- Name of preparer
- Name of reviewer
- Description of the supplemental information

Statistical Information should be submitted by fiscal year; however, if fiscal year information is unavailable, calendar or tax year information will be accepted. All submissions must clearly state whether fiscal year or calendar year is used.

The subject line of the e-mail should include the agency number, due date of the submission, and item number. For example, if the Department of Treasury is submitting items due on July 19, then the subject line would read “**Agy 152, Due Date July 19, 2007 Submissions, Item #.**” In addition, when naming the actual file include the Item # in the file name. **DO NOT include different due date submissions within the same e-mail.**

New for fiscal year 2007: DOA requires certification of all supplemental information submitted. This certification step requires the names of all preparers and reviewers to be included on all submissions. Please note that there should be a segregation of duties; therefore, the preparer and the reviewer should not be the same individual for any submission. **By typing a name, the individual is certifying that all information in the submission has been reviewed, the information is both complete and accurate, and the preparer and reviewer were not the same individual.**

Continued on next page

Supplemental Information, Continued

Submission requirements (Continued)

Submit copies of all supplemental information submissions to DOA at finrept-agvysupp@doa.virginia.gov. Agencies should copy APA on all e-mail submissions at: APAFinRept@apa.virginia.gov.

Revision requirements

If revisions are made to the supplemental information subsequent to DOA acknowledgement of receipt **and** acceptance of the original submission, then perform the following steps:

1. Resubmit the revised supplemental information; and
2. Submit a completed Attachment 30, Supplemental Information – Revision Control Log.

Each time a revision is submitted the **Certification** tab should be updated with new signatures and dates.

Continued on next page

Supplemental Information, Continued

Attorney General

*(see submission /
revision
requirements at
the beginning of
the Supplemental
Information
section)*

If the information requested in this supplemental section is also provided on an attachment, contact the individuals listed in the [Questions](#) section of this Directive.

Submit comments addressing the following items by **August 10, 2007**:

1. Review Footnote 35.B., CONTINGENCIES, page 149 of the 2006 CAFR, and provide a Litigation Representation Letter for items arising after June 30, 2007, but before August 10, 2007. This letter must identify pending or threatened litigation that would result in a material loss, \$4 million or more, significant enough to disclose in the General Fund Preliminary (Unaudited) Annual Report of the Commonwealth. The Financial Accounting Standards Board Statement (FASBS) No. 5, Accounting for Contingencies, requires that a loss contingency be recorded and reflected in the Commonwealth's financial statement if both of the following conditions are met:
 - Information available prior to issuance of the financial statements indicates that it is probable that an asset has been impaired or a loss liability has been incurred at the date of the most recent accounting period for which financial statements are being prepared. (It is implicit in this condition that it is probable that one or more future events will occur confirming the fact of the loss.)
 - The amount of the loss can be reasonably estimated.

Additionally, **FASBS No. 5** requires a loss contingency to be fully disclosed in the footnotes if the above two conditions are not both met but the occurrence of the loss is reasonably possible. This disclosure must indicate the nature of the contingency and give an estimate of the possible loss or range of loss. If the probability of the loss is only remote, then the loss need not be disclosed.

All material pending litigation existing as of June 30, 2007 and all material threatened litigation, arising after June 30, up to the date of the letter, must be considered in formulating the response. Please indicate the following for each litigation issue identified:

- Nature of the legal issue
- How the Commonwealth is responding or intends to respond to the charges
- Progress of the case to date
- An evaluation of the probability of an unfavorable outcome
- An estimate, if possible, of the potential loss or range of loss

Continued on next page

Supplemental Information, Continued

Attorney General

(continued)
(see submission /
revision
requirements at
the beginning of
the Supplemental
Information
section)

Submit the following by **October 18, 2007:**

2. A Litigation Representation Letter for the fiscal year ended June 30, 2007. This letter must identify pending or threatened litigation that would result in a material loss, \$4 million or more, significant enough to disclose in the Commonwealth's financial statements or accompanying notes.

Submit the following by **December 10, 2007:**

3. Any updates to the information requested above or written confirmation that there were no changes to the October 18, 2007, information.

Compensation Board

(see submission /
revision
requirements at
the beginning of
the Supplemental
Information
section)

If the information requested in this supplemental section is also provided on an attachment, contact the individuals listed in the [Questions](#) section of this Directive.

Submit the following by **September 6, 2007** for statistical purposes:

1. Number of constitutional officers receiving financial support

Submit the following by **September 13, 2007:**

2. Program, sub-program, fund, and amount for locality reimbursements processed as P-vouchers

Comprehensive Services for At-Risk Youth and Families

(see submission /
revision
requirements at
the beginning of
the Supplemental
Information
section)

If the information requested in this supplemental section is also provided on an attachment, contact the individuals listed in the [Questions](#) section of this Directive.

Submit the following by **September 6, 2007** for statistical purposes:

1. Number of youth to whom services are provided

Continued on next page

Supplemental Information, Continued

Department of Agriculture & Consumer Services

*(see submission /
revision
requirements at
the beginning of
the Supplemental
Information
section)*

If the information requested in this supplemental section is also provided on an attachment, contact the individuals listed in the [Questions](#) section of this Directive.

Submit the following by **September 6, 2007** for statistical purposes:

1. Number of food inspections conducted
2. Number of weights / measure equipment inspected

Department of Alcoholic Beverage Control

*(see submission /
revision
requirements at
the beginning of
the Supplemental
Information
section)*

If the information requested in this supplemental section is also provided on an attachment, contact the individuals listed in the [Questions](#) section of this Directive.

Submit the following by **September 6, 2007**:

1. Amount of malt beverage tax collected in July 2007
2. Full accrual basis receivable amount as of June 30, 2007 for the malt beverage tax
3. Revenue source code numbers that account for malt beverage tax
4. Amount that is due to the Literary Fund related to the sale of confiscated liquor and confiscated assets

Department of Conservation and Recreation

*(see submission /
revision
requirements at
the beginning of
the Supplemental
Information
section)*

If the information requested in this supplemental section is also provided on an attachment, contact the individuals listed in the [Questions](#) section of this Directive.

Submit the following for the **Virginia Land Conservation Foundation** by **August 16, 2007**:

1. All applicable Component Unit attachments per the Year End Reporting Requirements for Component Units posted on DOA's website at www.doa.virginia.gov. Click on the "Financial Reporting" link, then click on "Financial Statement Directives."

Submit the following by **September 6, 2007** for statistical purposes:

2. Number and area of state parks
3. Number and area of natural areas
4. Number and area of historical areas

Continued on next page

Supplemental Information, Continued

Department of Corrections

(see submission / revision requirements at the beginning of the Supplemental Information section)

If the information requested in this supplemental section is also provided on an attachment, contact the individuals listed in the Questions section of this Directive.

Submit the following by **August 16, 2007**:

1. Attachment 8, Governmental Fund Financial Statement Template

Submit the following by **August 23, 2007**:

2. Attachment 12, Agency Fund Financial Statement Template

Submit the following by **September 6, 2007** for statistical purposes:

3. Number of inmates
-

Department of Criminal Justice Services

(see submission / revision requirements at the beginning of the Supplemental Information section)

Submit the following for **Department of Criminal Justice Services (Fund 0221)** by **August 16, 2007**:

1. If project code 98000 is reported on any attachment submissions, submit the amounts and applicable coding (function, revenue source code, **GASBS No. 34** revenue classifications, etc.). DOA will eliminate this project code, and needs to know where and how the activity has been recorded on the attachments.
-

Continued on next page

Supplemental Information, Continued

Department of Education

*(see submission /
revision
requirements at
the beginning of
the Supplemental
Information
section)*

If the information requested in this supplemental section is also provided on an attachment, contact the individuals listed in the [Questions](#) section of this Directive.

Submit the following for the **Virginia School for the Deaf and Blind Foundation by [August 16, 2007](#):**

1. Component Unit Attachment CU-4, Component Unit Template for Selected Agencies, posted on DOA's website at www.doa.virginia.gov. Click on the "Financial Reporting" link, then click on "Financial Statement Directives."
2. Submit the year-end LGIP activity by CARS GLA and revenue source code/expenditure function for agency 201, fund 0700. DOA records LGIP from account histories provided by Treasury and therefore needs to eliminate LGIP recorded on CARS.

Submit the following by **[September 6, 2007](#)** for statistical purposes:

3. Total primary and secondary school enrollment

Submit the following by **[September 13, 2007](#):**

4. Program, sub-program, fund, and amount for locality reimbursements processed as P-vouchers

Department of Emergency Management

*(see submission /
revision
requirements at
the beginning of
the Supplemental
Information
section)*

If the information requested in this supplemental section is also provided on an attachment, contact the individuals listed in the [Questions](#) section of this Directive.

Submit the following by **[August 16, 2007](#):**

1. Payment List Report of Insurance Recovery Payments forwarded to other state agencies during fiscal year 2007.

Continued on next page

Supplemental Information, Continued

Department of Environmental Quality

*(see submission /
revision
requirements at
the beginning of
the Supplemental
Information
section)*

If the information requested in this supplemental section is also provided on an attachment, contact the individuals listed in the [Questions](#) section of this Directive.

Submit the following by **August 16, 2007**:

1. Capital asset information, including information required by **GASBS No. 42**, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*, requested in a separate communication from the Department of Accounts. Ensure the capitalization limits specified on the spreadsheet are appropriately applied.

Submit the following by **September 6, 2007** for statistical purposes:

2. Number of permits issued
 3. Number of inspections conducted
-

Department of Forestry

*(see submission /
revision
requirements at
the beginning of
the Supplemental
Information
section)*

If the information requested in this supplemental section is also provided on an attachment, contact the individuals listed in the [Questions](#) section of this Directive.

Submit the following by **September 6, 2007** for statistical purposes:

1. Number and area of state forests
 2. Number of firefighters trained in forest fire control (Department of Planning and Budget performance measure)
-

Continued on next page

Supplemental Information, Continued

Department of General Services

*(see submission /
revision
requirements at
the beginning of
the Supplemental
Information
section)*

If the information requested in this supplemental section is also provided on an attachment, contact the individuals listed in the [Questions](#) section of this Directive.

Ensure all applicable attachments are completed for the **Virginia War Memorial Foundation** and submitted by the established due dates.

Submit the following by **September 20, 2007**:

1. DOA will be eliminating project 10079 for fund 0200, and needs to know where and how the activity has been recorded on the attachments. In order for DOA to do this, provide amounts and applicable coding (function, revenue source code, **GASBS No. 34** revenue classifications, etc.) reported on any attachment submissions.

Department of Health

*(see submission /
revision
requirements at
the beginning of
the Supplemental
Information
section)*

If the information requested in this supplemental section is also provided on an attachment, contact the individuals listed in the [Questions](#) section of this Directive.

Submit the following by **September 6, 2007** for statistical purposes:

1. Number of WIC participants
2. Number of childhood immunizations administered

Department of Housing and Community Development

*(see submission /
revision
requirements at
the beginning of
the Supplemental
Information
section)*

If the information requested in this supplemental section is also provided on an attachment, contact the individuals listed in the [Questions](#) section of this Directive.

Submit the following by **September 6, 2007** for statistical purposes:

1. Number of housing units improved to defined standards through housing programs (Department of Planning and Budget performance measure)

Submit the following information as requested by DOA in a separate communication:

2. Information regarding fund 0726.

Continued on next page

Supplemental Information, Continued

**Department of
Human
Resource
Management**
*(see submission /
revision
requirements at
the beginning of
the Supplemental
Information
section)*

If the information requested in this supplemental section is also provided on an attachment, contact the individuals listed in the [Questions](#) section of this Directive.

Submit the following for the **Local Choice Enterprise Fund** by **August 30, 2007**:

1. Attachment 9, Enterprise Fund Financial Statement Template
2. Enterprise Claims Payable footnote spreadsheet provided in a separate communication from the Department of Accounts

Submit the following by **September 6, 2007** for statistical purposes:

3. Number of classified state employees at June 30, 2007 by agency number. Please provide this information in an Excel spreadsheet and exclude Adjunct Faculty.

Submit the following for the **Workers' Compensation Internal Service Fund** and the **Health Insurance Fund** by **September 27, 2007**:

4. Attachment 10, Internal Service Fund Financial Statement Template
5. Attachment 18, Internal Service Funds – Conversion to Government-wide Statement of Activities
6. Internal Service Claims Payable footnote spreadsheet provided in a separate communication from the Department of Accounts

Submit the following by **September 27, 2007**:

7. Necessary information and disclosures, including the “Ten-Year Claims Development Information” schedule for the Public Entity Risk Pools, required by **GASBS No. 30**, *Risk Financing Omnibus*
8. A copy of the 2007 Actuarial Valuation of the Workers Compensation and a description of the methodology used by the actuary

Note: Any risk financing or insurance related activities, including public entity risk pools that were not applicable last year, may be applicable this year and must be disclosed in the CAFR.

Continued on next page

Supplemental Information, Continued

Department of Medical Assistance Services

*(see submission /
revision
requirements at
the beginning of
the Supplemental
Information
section)*

If the information requested in this supplemental section is also provided on an attachment, contact the individuals listed in the [Questions](#) section of this Directive.

Please ensure that the **GASBS No. 34** government-wide revenue classifications are provided for **ALL** revenue entries submitted. Refer to the **GASBS No. 34 Government-wide Revenue Classification Table** on DOA's website at www.doa.virginia.gov to obtain the revenue classifications for each revenue source code. Click on the "Financial Reporting" link, and then click on "Financial Statement Directives."

Submit the following items for the **Certified Nursing Facility Education Initiative, Inc.** by **August 16, 2007**:

1. Attachment 22, Schedule of Cash, Cash Equivalents, and Investments at June 30
2. Audited financial statements

Submit the following by **August 16, 2007**:

3. Capital asset information, including information required by **GASBS No. 42, Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries**, requested in a separate communication from the Department of Accounts. Ensure the capitalization limits specified on the spreadsheet are appropriately applied.
4. Breakdown of the federal and local portions of revenue recorded in the Medicaid Intergovernmental Transfer Fund (Fund 0220) as of June 30, 2007.

Continued on next page

Supplemental Information, Continued

**Department of
Medical
Assistance
Services**
(continued)
*(see submission /
revision
requirements at
the beginning of
the Supplemental
Information
section)*

Submit the following by **September 6, 2007**:

5. Journal entries for drug rebate cash receipts to include both:
 - Rebates incurred and billed in FY 2005 and prior years
 - Rebates incurred in FY 2006 and billed in FY 2007
6. The journal entry to report federal fund warrants-in-process as federal revenue
7. Any other journal entries that are necessary for proper cash basis presentation
8. Fund / fund detail, program code, and amount paid to the Certified Nursing Facility Education Initiative, Inc. during FY 2007

Submit the following by **September 6, 2007** for statistical purposes:

9. Number of Medicare recipients
10. Number of Medicaid recipients

Submit the following by **September 27, 2007**:

11. Journal entries for the Medicaid claims payable (including add-pay payables)
12. Journal entries for the State and Local Hospitalization Program claims payable
13. Journal entries for the drug rebate receivables
14. Journal entries for the Temporary Detention Order program claims payable
15. Any other journal entries that are necessary for proper modified accrual basis presentation
16. Additional entries necessary to bring the above entries to **full accrual basis of accounting** for the Government-wide Statement of Net Assets and Statement of Activities
17. For any receivable and payable amounts, provide amounts receivable or payable greater than one year (noncurrent)
18. 2007 revisions to Footnote 21, OTHER LIABILITIES, Medicaid Payable and FAMIS Payable, page 124 of the 2006 CAFR

Continued on next page

Supplemental Information, Continued

Department of Mental Health, Mental Retardation, and Substance Abuse Services

*(see submission /
revision
requirements at
the beginning of
the Supplemental
Information
section)*

If the information requested in this supplemental section is also provided on an attachment, contact the individuals listed in the [Questions](#) section of this Directive.

Submit the following by **September 6, 2007** for statistical purposes:

1. Number of patients receiving services and the number of beds used

Department of Mines, Minerals, and Energy

*(see submission /
revision
requirements at
the beginning of
the Supplemental
Information
section)*

If the information requested in this supplemental section is also provided on an attachment, contact the individuals listed in the [Questions](#) section of this Directive.

Submit the following by **August 16, 2007**:

1. Capital asset information, including information required by **GASBS No. 42**, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*, requested in a separate communication from the Department of Accounts. Ensure the capitalization limits specified on the spreadsheet are appropriately applied.

Continued on next page

Supplemental Information, Continued

**Department of
Motor Vehicles**
*(see submission /
revision
requirements at
the beginning of
the Supplemental
Information
section)*

If the information requested in this supplemental section is also provided on an attachment, contact the individuals listed in the [Questions](#) section of this Directive.

Submit the following by **August 16, 2007**:

1. The amount of deposits in transit at June 30 (i.e., in DMV local bank accounts but not in CARS) **by fund and revenue source code** for **all** deposits, including motor fuel taxes.

Submit **to DOA and to VDOT** by **August 30, 2007**:

2. The net motor fuel taxes receivable (net of deposits in transit) at June 30 on the **modified accrual basis** of accounting. Identify the amount of the receivable that is allocated to VDOT. Separately identify the amount of the receivable recorded in Fund 0471 that is allocated to VDOT, Virginia Port Authority, Department of Rail and Public Transportation, and the Department of Aviation.
3. The additional amount necessary to report motor fuel taxes receivable at June 30 on the **full accrual basis** of accounting. Identify the amount of the receivable that is allocated to VDOT. Separately identify the amount of the receivable recorded in Fund 0471 that is allocated to VDOT, Virginia Port Authority, Department of Rail and Public Transportation, and the Department of Aviation.

Submit the following by **September 6, 2007** for statistical purposes:

4. Number of Commonwealth Vehicles, excluding Higher Education vehicles

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Supplemental Information, Continued

Department of Planning and Budget

*(see submission /
revision
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the Supplemental
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section)*

If the information requested in this supplemental section is also provided on an attachment, contact the individuals listed in the [Questions](#) section of this Directive.

Submit the following by **September 6, 2007**:

1. Explanation of variances on the General Fund Preliminary budget / actual statement, original / final budgets, and 2006 / 2007 actual amounts for MD&A identified by DOA in a separate communication.

Department of Rail and Public Transportation

*(see submission /
revision
requirements at
the beginning of
the Supplemental
Information
section)*

If the information requested in this supplemental section is also provided on an attachment, contact the individuals listed in the [Questions](#) section of this Directive.

Submit the following by **July 19, 2007**:

1. Complete Attachment 3, **GASBS No. 14** Checklist Modified to Reflect **GASBS No. 39**, for the Eastern Shore Railway only if there has been a change that might affect its classification

Submit the following by **August 30, 2007**:

2. Review Footnote 17, COMMITMENTS, Mass Transit Projects, page 117 of the 2006 CAFR. Revise the footnote disclosure on mass transit construction commitments for FY 2007.

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Supplemental Information, Continued

**Department of
Social Services**
*(see submission /
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section)*

If the information requested in this supplemental section is also provided on an attachment, contact the individuals listed in the [Questions](#) section of this Directive.

Submit the following by **July 16, 2007**:

1. Please provide a copy of the June quarterly allocation between funds 0200, 0235, and 1000 and confirmation that this allocation has been recorded in CARS. If the allocation has not been recorded in CARS, please provide the date it will be keyed.

Submit the following by **August 30, 2007**:

2. Review **GASBS No. 24**, Accounting and Financial Reporting for Certain Grants and Other Financial Assistance, for its relevance to the food stamp program and provide:
 - Total food stamp benefits redeemed by recipients as of June 30, 2007, for the electronic distribution system

Submit the following by **September 6, 2007**:

3. For the **Federal Fund**, Due to / Due from entries and any other **modified accrual** AND **full accrual** basis entries **not included** on attachment submissions, reviewed and certified correct. List full accrual entries separately from modified accrual entries. Please ensure that **GASBS No. 34** revenue classifications are provided. For proper **GASBS No. 34** government-wide revenue classification, refer to the **GASBS No. 34 Government-wide Revenue Classification Table** on DOA's website at www.doa.virginia.gov. Click on the "Financial Reporting" link, then click on "Financial Statement Directives."
4. 2007 revisions to the paragraph discussing food stamps in Footnote 35.A., CONTINGENCIES, Grants and Contracts, pages 148-149 of the 2006 CAFR

Submit the following by **September 6, 2007** for statistical purposes:

5. Number of households receiving food stamps
6. Number of households receiving Child Support Enforcement assistance

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Supplemental Information, Continued

Department of State Police

*(see submission /
revision*

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If the information requested in this supplemental section is also provided on an attachment, contact the individuals listed in the [Questions](#) section of this Directive.

Submit the following by **September 6, 2007** for statistical purposes:

1. Number of state police stations and officers
2. Number of traffic citations issued
3. Number of arrests

Department of Taxation

*(see submission /
revision*

*requirements at
the beginning of
the Supplemental
Information
section)*

If the information requested in this supplemental section is also provided on an attachment, contact the individuals listed in the [Questions](#) section of this Directive.

Submit the following items by **July 27, 2007**:

1. The tax increase data requested in a separate communication from the Department of Accounts. The methodology used to calculate this amount should be consistent with fiscal 2006 unless approved in advance by DOA and APA.
2. If Unapplied Sales Tax Receipts—RSC 01087 and/or Miscellaneous Tax Collections—Undistributed—RSC 01200 have balances as of June 30, provide correct tax classifications by revenue source code.

Submit the following items by **September 6, 2007**:

3. The Transportation Trust Fund (TTF) Sales Tax Receivable represents the 0.5% of the sales tax that is transferred to the Virginia Department of Transportation (VDOT). Provide the TTF Sales Tax Receivable on the **MODIFIED ACCRUAL and FULL ACCRUAL** bases of accounting **to DOA and to VDOT**.
4. 2006 revisions to Footnote 34, PUBLIC-PRIVATE PARTNERSHIP, page 148 of the 2006.
5. Explanation of variances on the General Fund Preliminary budget / actual statement, original / final budgets, and 2006 / 2007 actual amounts for MD&A identified by DOA in a separate communication.

Submit the following by **September 6, 2007** for statistical purposes:

6. Population estimate and the per capita income estimate
7. Number of personal income tax filers
8. Income tax liability by income level for current year and nine years prior
9. Sales tax liability by business class for current year and nine years prior

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Supplemental Information, Continued

Department of Taxation

(continued)
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Submit the following by **September 20, 2007**:

Note: When preparing information for non-tax revenue source codes, in order to ensure proper **GASBS No. 34** government-wide revenue classification, refer to the **GASBS No. 34 Government-wide Revenue Classification Table** on DOA's website at www.doa.virginia.gov. Click on the "Financial Reporting" link, then click on "Financial Statement Directives."

All revenue streams:

10. Gross, allowance, and net receivable amounts by fund / fund detail and revenue source code as of June 30, 2007 (full accrual basis) and document the amount of receivables received **between July 1, 2007 and August 31, 2007** and the amount to be received **after August 31, 2007**. Also, identify any amounts to be collected after June 30, 2008. Ensure the information provided includes all the elements requested in Attachment 20, Receivables as of June 30.
11. Provide modified accrual and full accrual payable amounts (excluding IAT 'P' vouchers) for revenue refund payables by fund / fund detail and source code. (This includes individual taxes and corporate taxes.) This should include amounts to be paid between July 1, 2007 and August 31, 2007 and amounts that will be paid after August 31, 2007.

Individual and withholding taxes:

12. For individual and withholding taxes, calculate the deferred credit amount on collections for tax year 2007 collected between January 1, 2007 and August 31, 2007. Also estimate the amount of deferred credit on these collections that will be paid out after December 31, 2008.
13. If applicable, estimate of individual refunds payable that were collected between January 1, 2007 and June 30, 2007 that relate to prior tax years and will be refunded after June 30, 2007.
14. Provide an estimate of individual tax refunds payable that relates to tax year 2006 and will be paid out after December 31, 2007

Corporate taxes:

15. Provide deferred credit amount for corporate taxes as of June 30, 2007. The methodology used to calculate this amount should be consistent with fiscal 2006 unless approved in advance by DOA and APA.

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Supplemental Information, Continued

Department of Taxation

(continued)

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Submit the following by **September 20, 2007**, continued:

Other:

16. The Department should provide any other modified accrual and full accrual basis entries needed to properly report modified accrual and full accrual basis receivables, deferred credit, and tax refunds payable that have not been identified above
17. The items listed below are needed to provide the modified and accrual basis entries listed above. **This listing is not all-inclusive.** Department of Taxation should generate any reports or supporting documentation needed to prepare the entries.
 - Monthly dollar volume of current year refunds
 - Withholding deposits dated 1/1/07 – 2/28/07 for periods in FY 2006 or earlier
 - Individual deposits dated 1/1/07 – 2/28/07 for periods in FY 2006 or earlier
 - IRMS 158 Reports (or other comparable reports) that identify all the July and August 2007 deposits for general fund revenues for the following taxes for fiscal years 2007 and 2008.

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Supplemental Information, Continued

Department of Taxation

(continued)
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Submit the following by **September 20, 2007, continued:**

Note: When conducting reviews of tax deposit adjustments, transfers, and receipts, notify DOA if any adjustments are necessary.

18. An estimate of the percentage of tax refunds and a historical analysis supporting the estimate for the CAFR deferred credit calculation
19. Recap Refunds Reports from Revenue Accounting for July 2007 and August 2007 that identify debt set-off amounts transferred in July and August that were payable as of June 30, 2007
20. Provide debt set off amounts transferred in July and August 2007 (information comparable to prior year's TAXPIM72 Report)

Submit the following by **September 27, 2007:**

21. Provide adjustments made after August for July and August receipts
-

Department of Transportation

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the Supplemental
Information
section)

If the information requested in this supplemental section is also provided on an attachment, contact the individuals listed in the [Questions](#) section of this Directive.

Submit the following by **July 5, 2007:**

1. Debt service schedules of bond issuances and payments / retirements for FY 2007, and outstanding balances at June 30, 2007
 2. Debt service schedules for partial defeasances and / or advanced refunding in FY 2007
 3. Amortization schedule of premiums / discounts, bond issuance costs and deferral on debt defeasance to include current year amortization amounts and unamortized balances
 4. Footnote disclosures for any bond defeasances and / or refundings occurring in FY 2007. At a minimum, include the following:
 - A brief description of the refunding transaction
 - The aggregate difference in debt service between the refunded debt and the refunding debt
 - The economic gain or loss on the transaction
 5. Outstanding balance of defeased bonds as of June 30, 2007
 6. Support for any Bond Anticipation Notes / Commercial Paper issued in FY 2007
-

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Supplemental Information, Continued

**Department of
Transportation**
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Submit the following by **August 16, 2007**:

7. Calculation of Changes of Transportation 9(d) Outstanding Debt Balances in format provided by DOA
8. Transportation 9(d) debt schedule in format provided by DOA
9. Original and final debt service budgets by fund
10. Beginning fund balance reconciliation between CARS and FMS **IF** a restatement exists and / or CARS beginning fund balance amounts are adjusted to reflect prior year actual activity as recorded in FMS
11. Debt service template reconciliation to CARS in a format provided by DOA in a separate communication.
12. A separate communication will be provided by the Department of Accounts via a spreadsheet to accumulate the following information:
 - Cash and investments classifications (Cash, LGIP, SNAP, etc.) for CARS GLAs: 101, 109, 342, 343, and 348. Provide special revenue and debt service amounts **separately** and reconcile amounts to CARS, adjusting entries, and the financial statement template amounts, including identification of restricted cash, cash equivalents, and investments.
13. Report separately and label any modified or full accrual entries applicable to the Debt Service Funds as “debt service” on the submissions.
14. Amount of debt associated with VDOT’s capital assets in order for DOA to appropriately report the net asset classifications on the Government-wide statements
15. Long-term Debt Balance Sheet
16. Ensure the Debt Service supporting schedule (by individual fund) for the debt service financial statement template lists the following items for bonds issued in FY 2007:
 - Face amount of bonds issued
 - Original Issue Premium or Discount
 - Accrued Interest
 - Underwriter’s Discount
 - Cost of Issuance

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Supplemental Information, Continued

**Department of
Transportation**
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Submit the following by **August 16, 2007, continued:**

17. Supporting schedule for Rt. 28 bond accretion
18. Virginia Coalfield Coalition Authority financial statements
19. For CAMP 30 (excluding the Capital Asset information. This will be obtained in item 22 below):
 - Complete Attachment 8 for Debt Service
 - Provide adjusting entries for Special Revenue Fund statements
 - Provide conversion entries for Special Revenue Government-wide statements
 - In addition, provide supporting documentation including the Small Debt schedule, accrued interest payable, changes of LT Outstanding Balance, Cash CE Investments not with Treasurer, Changes of Proceeds.

Submit the following by **August 30, 2007:**

20. Entries required to appropriately adjust CARS balances to reflect FY 2007 activity / balances
21. Review Footnote 17, COMMITMENTS, Highway Projects, pages 116-117 of the 2006 CAFR. Revise the footnote disclosure on highway projects construction commitments for FY 2007.
22. A separate communication will be provided by the Department of Accounts. Please include information required by **GASBS No. 42**, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*, when completing the following:
 - Schedule of Changes in Capital Asset Balances Ensure the capitalization limits specified on the spreadsheet are appropriately applied
 - Capital Lease footnote and conversion spreadsheet
 - Operating Lease footnote spreadsheet
 - On a separate tab, provide information for CAMP 30

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Supplemental Information, Continued

**Department of
Transportation**
(continued)
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Submit the following by **September 6, 2007** for statistical purposes:

- 23. FY 2007 total state highway miles
- 24. Number of bridges maintained

Submit the following by **September 13, 2007**:

- 25. The Arbitrage Rebate liability disclosure

Submit the following by **September 20, 2007**:

- 26. Revenue bond coverage spreadsheet (breakdown of principal and interest)
- 27. Reconciliation of the VDOT internal payable listing to the CARS P-voucher reports
- 28. Modified accrual reversing entries for any modified accrual restatements

Submit the following by **October 4, 2007**:

- 29. Complete the Receivables Attachment provided in a separate communication from the Department of Accounts
- 30. Schedule of any reserved fund balance and / or restricted net asset amounts for special revenue funds

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Supplemental Information, Continued

**Department of
Treasury**
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If the information requested in this supplemental section is also provided on an attachment, contact the individuals listed in the [Questions](#) section of this Directive.

Submit the following by **June 14, 2007**:

1. Securities lending gross income and expenses for July 2006 through April 2007

Submit the following debt items related to Footnote 22, LONG-TERM LIABILITIES, and the Debt Schedules, pages 125-140 and 238-253, respectively, of the 2006 CAFR by **July 6, 2007**:

2. Provide Debt System Extract to include current year information on a separate tab (Provide date disbursed to paying agent for any bond that has a due date of July 1 to July 10 for the current and future years. The disbursement date should determine the fiscal year in which amounts are recorded.)

Submit the following debt items related to Footnote 22, LONG-TERM LIABILITIES, and the Debt Schedules, pages 125-140 and 238-253, respectively, of the 2006 CAFR by **July 12, 2007**:

3. Amortization schedule of premiums / discounts, bond issuance costs and deferral on debt defeasance to include current year amortization amounts and unamortized balances
4. Calculation of Changes of Outstanding Debt Balances in format provided by DOA in a separate communication.
5. Footnote disclosures for any bond defeasances and / or refundings occurring in FY 2007. At a minimum, include the following:
 - A brief description of the refunding transaction
 - The aggregate difference in debt service between the refunded debt and the refunding debt
 - The economic gain or loss on the transaction

Note: Provide any Authority debt at the same time as the financial statements are provided.

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Supplemental Information, Continued

**Department of
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Submit the following debt items related to Footnote 22, LONG-TERM LIABILITIES, and the Debt Schedules, pages 125-140 and 238-253, respectively, of the 2006 CAFR by **July 12, 2007** continued:

6. Support for any Bond Anticipation Notes / Commercial Paper issued in FY 2007
7. Anticipated bond issuances or defeasances to occur between June 30, 2007 and November 26, 2007

Submit the following debt items related to Footnote 22, LONG-TERM LIABILITIES, and the Debt Schedules, pages 125-140 and 238-253, respectively, of the 2006 CAFR by **July 19, 2007**:

8. General Obligation Debt of the Commonwealth – Summary of Long-term Indebtedness
9. Higher Educational Institutions Auxiliary Enterprise Revenue Bonds – Detail of Long-term Indebtedness by Institution
10. Outstanding balances at June 30, 2007, of bonds defeased in FY 2007 and prior years
11. Copy of Treasury's notification of the Treasury administered debt and investment balances for higher education institutions

Submit the following **General Account** items related to **GASBS No. 28**, *Accounting and Financial Reporting for Securities Lending Transactions* by **July 26, 2007**:

AJE's & **GASBS No. 40** Detail

12. Securities lending adjusting journal entries to record assets, liabilities, gross income, and expenses
13. Breakdown of securities lending cash, cash equivalents, and investments as shown on **Attachment 22, Cash, Cash Equivalents, and Investments as of June 30**, "Cash Equiv. & Inv. NOT w Treas" tab and the "Foreign Currency Inv" tab (if applicable). Completion of the "Cash Equiv. & Inv. NOT w Treas" tab will report any potential interest rate risk, custodial credit risk, and the credit quality ratings of Treasury's securities lending. This sheet also requests cash equivalents and investments by each issuer and issue by investment type.

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Supplemental Information, Continued

**Department of
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Submit the following **General Account** items related to **GASBS No. 28**, *Accounting and Financial Reporting for Securities Lending Transactions* by **July 26, 2007**, continued:

Disclosures

14. Source of legal or contractual authorization
15. Significant violations of legal or contractual provisions
16. General description of transactions during the period, including the following:
 - Types of securities lent
 - Types of collateral received
 - Government's ability to pledge or sell collateral without a default
 - Amount by which the collateral must exceed the value of the securities lent
 - Restrictions on amount of securities that may be lent
 - Loss indemnification to be provided by the agents (if any)
 - Reported amount and fair value of the underlying securities lent
17. Whether the maturity dates of investments made with cash collateral generally match those of the securities lent. In addition, disclose the extent of such matching as of the balance sheet date.
18. Credit risk or absence thereof
19. Losses for the reporting period resulting from default and recoveries of prior period losses

Submit the following by **August 2, 2007**:

20. FY 2007 employer and employee VRS contributions for all **Risk Management** Funds. The contributions made from the Internal Service Funds should be shown separately from the contributions made from the Enterprise Funds.

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Supplemental Information, Continued

**Department of
Treasury**
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Submit the following by **August 16, 2007**:

21. 2007 revisions to the Debt Administration discussion on pages 8-9 of the 2006 CAFR
22. 2007 revisions to the Investment Policy discussion on pages 7-8 of the 2006 CAFR
23. Support indicating the amount of interest on commercial paper, if any
24. Computation of Legal Debt Limit and Margin
25. Amounts authorized and remaining authorization amounts for 9(b) bond expenditures as of 6/30/07 by mental health, conservation, and education institutions with bond proceeds and amount paid with earnings on investments
26. For the **Parking Facilities Bonds**, provide the amount paid as of 6/30/07 with bond proceeds and amount paid with earnings on investments
27. A listing of the amounts of moral obligation debt for VPSA and any other moral obligation debt outstanding
28. Attachment 11, Private-purpose Trust Fund Financial Statement Template, for the Unclaimed Property of the Commonwealth
29. Attachment 12, Agency Fund Financial Statement Template, for the Unclaimed Property of Other States
30. Attachment 12, Agency Fund Financial Statement Template, for the Deposits of Insurance Carriers (Insurance Collateral)
31. Attachment 12, Agency Fund Financial Statement Template, for the Commuter Rail Fund

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Supplemental Information, Continued

Department of Treasury
(continued)
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Submit the following for agency 994, **Department of the Treasury Trust Funds (Fund 0774)** by **August 16, 2007, continued:**

32. If project code 90000 and / or project code 90001 are reported on any attachment submissions, submit the amounts and applicable coding (function, revenue source code, **GASBS No. 34** revenue classifications, etc.). DOA will eliminate these project codes, and needs to know where and how the activity has been recorded on the attachments.
33. Submit the amount of GLA 955 and GLA 956 related to LGIP

Submit the following by **August 23, 2007:**

34. The LGIP cash equivalents and investments split

Submit the following for the **Virginia Public Building Authority (VPBA)** by **August 30, 2007:**

35. Attachment 8, Governmental Fund Financial Statement Template, for the Virginia Public Building Authority Capital Project Fund
36. Attachment 8, Governmental Fund Financial Statement Template, for the Virginia Public Building Authority Debt Service Fund
37. Cumulative disbursements by type (Higher Ed, governmental, refunding)

Submit the following for the **Risk Management Enterprise Funds** by **August 30, 2007:**

38. Attachment 9, Enterprise Fund Financial Statement Template
39. Complete the Enterprise Claims Payable footnote spreadsheet provided in a separate communication from the Department of Accounts.

Submit the following by **September 6, 2007** for statistical purposes:

40. Number of State Owned Buildings by agency
41. Total Square Footage of Buildings

Submit the following by **September 13, 2007:**

42. The Arbitrage Rebate liability disclosure, pages 136-137 of the 2006 CAFR
43. FY 2007 revisions to the Debt Schedules, pages 238-253 of the 2006 CAFR

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Supplemental Information, Continued

**Department of
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Submit the following financial and footnote disclosure information requirements of **GASBS No. 31**, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, by **September 27, 2007**:

State Non-arbitrage Program (SNAP)

44. GAAP basis financial statements, as required by paragraph 17 of **GASBS No. 31** for SNAP Pooled Accounts and paragraph 20 for the SNAP Individual Portfolios
45. **Shareholder** Trial Balance listing for all SNAP Pooled Accounts with account numbers, account names, and net asset balances as of 6/30/07. DOA would prefer this in electronic format
46. **Summary** of Net Assets for SNAP Individual Portfolios with portfolio names and net asset balances as of 6/30/07
47. **Summary** of Activity for SNAP Pooled Internal Individual Accounts with account numbers, account names, beginning balances (7/1/06), addition activity, deletion activity, and ending balances (6/30/07)

Note: Addition and deletion activity should be broken down by detailed transaction types, i.e. initial deposit, dividend reinvestment, etc.

Note: DOA will provide all SNAP accounts considered internal for CAFR reporting purposes in the previous fiscal year. Treasury must provide the summary of activity for all of these accounts.

48. Provide a breakdown of Cash Equivalents and Investments

Submit the following for the **SNAP Individual Investment Accounts** by **September 27, 2007**:

49. Breakdown of cash equivalents by type and amount
50. Breakdown of investments by type and amount

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Supplemental Information, Continued

**Department of
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Submit the following financial and footnote disclosure information requirements of **GASBS No. 31**, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, by **September 27, 2007**, continued:

Local Government Investment Pool (LGIP)

51. GAAP basis financial statements, as required by paragraph 17 of **GASBS No. 31**, for LGIP
52. Shareholder Trial Balance listing for all LGIP accounts with account numbers, account names, and net asset balances as of 6/30/07
53. Download of Activity for LGIP Internal Individual Accounts with account numbers, account names, transaction dates, transaction descriptions, beginning balances, transaction amounts, and ending balances

Note: DOA will provide all LGIP accounts considered internal for CAFR reporting purposes in the previous fiscal year.

54. Summary of Participant Activity as of June 30, 2007
55. Accrued Interest
56. Accrued Fee Due
57. Year-end Reconciliation between CARS and Checkfree (or Recon Plus)/CARS and Bankers Trust

Submit the following for the **Risk Management Internal Service Funds** by **September 27, 2007**

58. Attachment 10, Internal Service Fund Financial Statement Template
59. Attachment 18, Internal Service Funds – Conversion to Government-wide Statement of Activities

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Supplemental Information, Continued

**Department of
Treasury**
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Submit the following for the discrete component unit **Virginia Public School Authority (VPSA)** by **October 4, 2007**:

60. GAAP basis Statement of Net Assets and Statement of Activities as well as all footnote information
61. The Long-term Liability footnote shows the total debt for notes and bonds payable combined. Provide the separate amounts for notes payable and bonds payable.
62. Complete Attachment **CU7 GASBS No. 20** for Proprietary Funds

Submit the following for the **Risk Management Internal Service and Enterprise Funds** by **October 11, 2007**:

63. Necessary information and disclosures, including the “Ten-Year Claims Development Information” schedule for the Public Entity Risk Pools, required by **GASBS No. 30**, *Risk Financing Omnibus*.
64. A copy of the 2007 Actuarial Valuation of the Casualty Self-insurance Programs and a description of the methodology used by the actuary

Note: Any risk financing or insurance related activities, including public entity risk pools that were not applicable last year, may be applicable this year and must be disclosed in the CAFR.

65. Complete the Internal Service and Enterprise Claims Payable footnote spreadsheets provided in a separate communication from the Department of Accounts.
66. Complete a separate **Attachment 22, Schedule of Cash, Cash Equivalents, and Investments as of June 30, “Cash Equiv. & Inv. NOT w Treas” tab and the “Foreign Currency Inv” tab (if applicable)** for the Outside Investment Managers (OIM) and the Cash Management and Investments division (CMI) investments combined and for Treasury Trust investments. (Securities lending was already provided on July 26, 2007.)

Note: DOA recommends Treasury read the instructions for Attachment 22 before completing the “Cash Equiv. & Inv. NOT w Treas” tab.

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Supplemental Information, Continued

**Department of
Treasury**
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Submit the following by **October 11, 2007**, continued:

67. For the Treasury Trust funds (Agency 994) and insurance collateral, continue to provide the “TRUSTCAFR” and “NONCAFR” (Higher Education, VDOT, & VPSA amounts) tabs for further detail. These tabs include a breakdown of:
 - Description, agency for which the investments are held, category, type of investment, fund / fund detail, project, reported amount, and the fair value amount
68. Bank Balance Summary Report for June 30, 2007 for the General Account as well as the Treasury Trust Account. **(Certificates of deposit should not be reported as cash so it is no longer necessary to include them in the Bank Balance Summary Report.)**

Submit the following after reviewing Footnote 6, CASH, CASH EQUIVALENTS, AND INVESTMENTS, pages 91-99 of the 2006 CAFR by **October 11, 2007**:

69. Provide any applicable disclosures required by **GASB Technical Bulletin 2003-1**, *Disclosure Requirements for Derivatives Not Presented at Fair Value on the Statement of Net Assets*
70. Methods and significant assumptions used to estimate the fair value of investments, if fair value is based on other than quoted market prices
71. The policies for determining which investments, if any, are reported at amortized cost
72. For investments in external investment pools that are not SEC-registered, a brief description of any regulatory oversight for the pool and whether the fair value of the position in the pool is the same as the value of the pool shares
73. Any involuntary participation in an external investment pool
74. If an entity cannot obtain information from a pool sponsor to allow the entity to determine the fair value of its investment in the pool, the methods used and significant assumptions made in determining that fair value and the reasons for making such an estimate.
75. Any income from investments associated with one fund that is assigned to another fund

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Supplemental Information, Continued

Department of Treasury

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Submit the following after reviewing Footnote 6, CASH, CASH EQUIVALENTS, AND INVESTMENTS, pages 91-99 of the 2006 CAFR by **October 11, 2007, continued:**

76. If any cash equivalents and investments in debt securities are subject to highly sensitive changes in interest rate risk, contact those listed in the **Questions** section of the directive. Some examples of these include a variable-rate investment with a multiplier, or a variable-rate investment with a coupon that varies inversely with a benchmark index. For further explanations of highly sensitive investments, refer to the **GASBS No. 40** Implementation Guide, paragraphs 45 – 58.
77. Treasury should provide any other type of risk to cash, cash equivalents, and investments not covered elsewhere.

Submit the following **other requested information** by **October 11, 2007:**

78. Provide the amount of Literary Fund loans receivable (GLA 203 and GLA 206) that will be collected after June 30, 2008
-

Division of Legislative Services

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If the information requested in this supplemental section is also provided on an attachment, contact the individuals listed in the **Questions section of this Directive.**

Submit the following by **August 16, 2007:**

1. Provide the status of the Dr. Martin Luther King, Jr. Living History & Public Policy Center including any financial activity that took place during fiscal year ended June 30, 2007.
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Supplemental Information, Continued

Library of Virginia

(see submission / revision requirements at the beginning of the Supplemental Information section)

If the information requested in this supplemental section is also provided on an attachment, contact the individuals listed in the [Questions](#) section of this Directive.

Submit the following by **August 2, 2007**:

1. FY 2007 employer and employee VRS contributions for the **Library of Virginia Gift Shop**

Submit the following information including the effects of **GASBS No. 42**, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*, for any library books not capitalized on FAACS by **August 16, 2007**:

2. Beginning balance, increases, decreases, and ending balances (using historical cost)
3. Total beginning balance, increases, decreases, and ending balances for accumulated depreciation
4. CARS expenditures by function for current acquisitions. This should equal the increases in library books above.
5. Depreciation expense by function. Total depreciation expense should equal the increases in the accumulated depreciation column.

Submit the following by **September 20, 2007**:

6. DOA will be eliminating project 90005 for fund 0200, and needs to know where and how the activity has been recorded on the attachments. In order for DOA to do this, provide amounts and applicable coding (function, revenue source code, **GASBS No. 34** revenue classifications, etc.) reported on any attachment submissions.

Continued on next page

Supplemental Information, Continued

**Science
Museum of
Virginia**
*(see submission /
revision
requirements at
the beginning of
the Supplemental
Information
section)*

If the information requested in this supplemental section is also provided on an attachment, contact the individuals listed in the [Questions](#) section of this Directive.

Submit the following by **July 19, 2007**:

1. **Science Museum of Virginia Foundation, Inc.** Attachment 3, **GASBS No. 14** Checklist Modified to Reflect **GASBS No. 39**, only if there has been a change that might affect its classification

Submit the following by **August 2, 2007**:

2. FY 2007 employer and employee VRS contributions for the **Science Museum Gift Shop**

Submit the following by **October 4, 2007**:

3. **Science Museum of Virginia Foundation, Inc.** draft financial statements
 4. Submit the **Science Museum of Virginia Foundation, Inc.** audited financial statements when available.
-

**State Council of
Higher
Education for
Virginia**
*(see submission /
revision
requirements at
the beginning of
the Supplemental
Information
section)*

If the information requested in this supplemental section is also provided on an attachment, contact the individuals listed in the [Questions](#) section of this Directive.

Submit the following by **September 6, 2007** for statistical purposes:

1. Total number of private and state supported higher education institutions, educators, and students
-

Continued on next page

Supplemental Information, Continued

State Lottery Department
(see submission / revision requirements at the beginning of the Supplemental Information section)

If the information requested in this supplemental section is also provided on an attachment, contact the individuals listed in the [Questions](#) section of this Directive.

Submit the following by **August 16, 2007**:

1. Breakdown of securities lending cash, cash equivalents, and investments as shown on **Attachment 22, Cash, Cash Equivalents, and Investments as of June 30, “Cash Equiv. & Inv. NOT w Treas” tab and the “Foreign Currency Inv” tab (if applicable)**. Completion of the “Cash Equiv. & Inv. NOT w Treas” tab will report any potential interest rate risk, custodial credit risk, and the credit quality ratings of Lottery’s securities lending. This sheet also requests cash equivalents and investments by each issuer and issue by investment type.

Submit the following by **September 6, 2007** for statistical purposes:

2. Number of tickets sold for all games by game

Supreme Court
(see submission / revision requirements at the beginning of the Supplemental Information section)

If the information requested in this supplemental section is also provided on an attachment, contact the individuals listed in the [Questions](#) section of this Directive.

Submit the following by **September 6, 2007** for statistical purposes:

1. Number of criminal trials
2. Number of civil trials
3. Number of traffic hearings

Virginia College Savings Plan
(see submission / revision requirements at the beginning of the Supplemental Information section)

If the information requested in this supplemental section is also provided on an attachment, contact the individuals listed in the [Questions](#) section of this Directive.

Submit the following by **September 6, 2007** for statistical purposes:

1. Number of prepaid tuition contract holders

Continued on next page

Supplemental Information, Continued

Virginia Commission for the Arts

*(see submission /
revision
requirements at
the beginning of
the Supplemental
Information
section)*

If the information requested in this supplemental section is also provided on an attachment, contact the individuals listed in the [Questions](#) section of this Directive.

Submit the following for the **Virginia Arts Foundation** by **August 16, 2007**:

1. All applicable Component Unit attachments per the Year End Reporting Requirements for Component Units posted on DOA's website at www.doa.virginia.gov. Click on the "Financial Reporting" link, then click on "Financial Statement Directives."

Virginia Employment Commission

*(see submission /
revision
requirements at
the beginning of
the Supplemental
Information
section)*

If the information requested in this supplemental section is also provided on an attachment, contact the individuals listed in the [Questions](#) section of this Directive.

Submit the following by **August 16, 2007**:

1. Financial statements for the **Advantage Virginia Incentive Program Foundation** (if applicable)
2. Capital asset information, including information required by **GASBS No. 42**, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*, requested in a separate communication from the Department of Accounts. Ensure the capitalization limits specified on the spreadsheet are appropriately applied.

Submit the following by **September 6, 2007**:

3. All modified **accrual** AND **full accrual** basis entries for the general fund and all special revenue funds. List full accrual entries separately from modified accrual entries.
4. Provide **GASBS No. 34** revenue classifications. For proper **GASBS No. 34** government-wide revenue classification, refer to the **GASBS No. 34 Government-wide Revenue Classification Table** on DOA's website at www.doa.virginia.gov. Click on the "Financial Reporting" link, then click on "Financial Statement Directives."

Submit the following by **September 6, 2007** for statistical purposes:

5. Top 10 employers of the Commonwealth for the current fiscal / calendar year and Top 10 employers for the fiscal / calendar year 9 years prior
6. Number of individuals receiving unemployment benefits
7. The Unemployment Rate

Continued on next page

Supplemental Information, Continued

**Virginia
Information
Technologies
Agency**
*(see submission /
revision
requirements at
the beginning of
the Supplemental
Information
section)*

If the information requested in this supplemental section is also provided on an attachment, contact the individuals listed in the [Questions](#) section of this Directive.

Submit the following items by **August 16, 2007**:

1. Capital asset information, including information required by **GASBS No. 42**, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*, requested in a separate communication from the Department of Accounts. Ensure the capitalization limits specified on the spreadsheet are appropriately applied and **exclude** all assets included on financial statement templates.
 2. Provide any information related to operating and capital leases identified and requested in a separate communication from the Department of Accounts.
-

**Virginia
Museum of
Fine Arts**
*(see submission /
revision
requirements at
the beginning of
the Supplemental
Information
section)*

If the information requested in this supplemental section is also provided on an attachment, contact the individuals listed in the [Questions](#) section of this Directive.

Submit the following by **July 19, 2007**:

1. **Virginia Museum of Fine Arts Foundation**, Attachment 3, **GASBS No. 14** Checklist Modified to Reflect **GASBS No. 39**, only if there has been a change that might affect its classification

Submit the following by **August 2, 2007**:

2. FY 2007 employer and employee VRS contributions for the **Virginia Museum Gift Shop**

Submit the following by **October 4, 2007**:

3. **Virginia Museum of Fine Arts Foundation, Inc.** draft financial statements
 4. Submit the **Virginia Museum of Fine Arts Foundation, Inc.** audited financial statements when available.
-

Continued on next page

Supplemental Information, Continued

**Virginia
Rehabilitation
Center for the
Blind and
Vision
Impaired**
*(see submission /
revision
requirements at
the beginning of
the Supplemental
Information
section)*

If the information requested in this supplemental section is also provided on an attachment, contact the individuals listed in the [Questions](#) section of this Directive.

Submit the following information including the effects of **GASBS No. 42**, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*, for any library books not capitalized on FAACS by **August 16, 2007**:

1. Beginning balance, increases, decreases, and ending balances (using historical cost)
 2. Total beginning balance, increases, decreases, and ending balances for accumulated depreciation
 3. CARS expenditures by function for current acquisitions. This should equal the increases in library books above.
 4. Depreciation expense by function. Total depreciation expense should equal the increases in the accumulated depreciation column.
-

**Virginia
Retirement
System**
*(see submission /
revision
requirements at
the beginning of
the Supplemental
Information
section)*

If the information requested in this supplemental section is also provided on an attachment, contact the individuals listed in the [Questions](#) section of this Directive.

Submit the following by **August 16, 2007**:

1. For each fiscal year 1990 through 2007, submit the following for VRS, SPORS, JRS, and VALORS:
 - Employer's actual contribution to the plan
 - Actuarially determined required contribution
 - Plan's investment earning assumption rate (discount rate)
 - Amortization factor used by the actuary to amortize contribution deficiencies or excess contributions (experience losses and gains)

Note: The plan's investment earning assumption rate and amortization factor should be furnished for each year beginning with the first year for which there is a difference between the employer's actual contribution and actuarially determined required contribution.

2. For FY 2007, submit the following **by employer** for VRS, SPORS, JRS, and VALORS:
 - Creditable compensation
 - Employer contribution rate
 - Actual contributions
-

Continued on next page

Supplemental Information, Continued

Virginia Retirement System
(continued)
(see submission / revision requirements at the beginning of the Supplemental Information section)

Submit the following by **August 16, 2007**:

3. GAAP basis draft financial statements
4. Footnote data and required supplementary information to meet the reporting requirements of **GASBS No. 25** and **GASBS No. 27** for each retirement system: Virginia Retirement System (VRS), State Police Officers' Retirement System (SPORS), Judicial Retirement System (JRS), and Virginia Law Officers' Retirement System (VALORS) and Supplemental Information to meet **GASBS 43**
5. **Attachment 22, Schedule of Cash, Cash Equivalents, and Investments as of June 30** for Virginia Retirement System (VRS), State Police Officers' Retirement System (SPORS), Judicial Retirement System (JRS), Retiree Health Insurance Credit, Group Life, Disability Insurance Trust Fund, and Virginia Law Officers' Retirement System (VALORS)
6. **Attachment 22, Schedule of Cash, Cash Equivalents, and Investments as of June 30** for Securities Lending Collateral for Virginia Retirement System (VRS), State Police Officers' Retirement System (SPORS), Judicial Retirement System (JRS), Retiree Health Insurance Credit, Group Life, Disability Insurance Trust Fund, and Virginia Law Officers' Retirement System (VALORS)
7. **Attachment 22, Schedule of Cash, Cash Equivalents, and Investments as of June 30** for Virginia Retirement System (VRS) Investment Short Sale, if applicable
8. Footnote data to meet the reporting requirements of **GASBS No. 28** for Securities Lending Transactions
9. Any applicable disclosures required by **GASB Technical Bulletin 2003-1, Disclosure Requirements for Derivatives Not Presented at Fair Value on the Statement of Net Assets**

Continued on next page

Supplemental Information, Continued

Virginia Retirement System
(continued)
(see submission / revision requirements at the beginning of the Supplemental Information section)

Submit the following by **August 16, 2007**:

- For the **Commonwealth Health Research Board**:
 10. **Attachment 22, Schedule of Cash, Cash Equivalents, and Investment as of June 30**
 11. VRS prepared investment summary report, **including the amount of restricted net assets that are expendable / non-expendable**, for July 1, 2006 through June 30, 2007
 12. Mellon Statement of Net Assets at June 30, 2007
 13. Mellon Statement of Changes in Net Assets for July 1, 2007 through June 30, 2007
- For the **Political Appointees Optional Retirement Plan**:
 14. Defined contribution plan activity for July 1, 2006 through June 30, 2007
 15. Schedule of accumulated plan assets by investment type at June 30, 2007
 16. **Attachment 22, Schedule of Cash, Cash Equivalents, and Investment as of June 30**
- For the **Firefighters' and Rescue Squad Workers' Service Award Fund**:
 17. Analysis of VRS and Wachovia activity for July 1, 2006 through June 30, 2007 (including CARS activity for fund 0736)
 18. Schedule of plan assets by investment type at June 30, 2007 (including CARS activity for fund 0736)
 19. Breakdown of contributions paid by member and employer
 20. **Attachment 22, Schedule of Cash, Cash Equivalents, and Investment as of June 30**
- For the **School Board Optional Retirement Plan**:
 21. Summary of plan activity for July 1, 2006 through June 30, 2007
 22. Schedule of plan investments by investment type at June 30, 2007
 23. **Attachment 22, Schedule of Cash, Cash Equivalents, and Investment as of June 30**
- For the **School Superintendent Optional Retirement Plan**:
 24. Defined contribution plan activity for July 1, 2006 through June 30, 2007
 25. Schedule of accumulated plan assets by investment type at June 30, 2007
 26. **Attachment 22, Schedule of Cash, Cash Equivalents, and Investment as of June 30**

Continued on next page

Supplemental Information, Continued

Virginia Retirement System
(continued)
(see submission / revision requirements at the beginning of the Supplemental Information section)

Submit the following by **August 16, 2007** Continued:

- For the **Virginia Supplemental Retirement Plan**:
 27. Defined contribution plan activity for July 1, 2006 through June 30, 2007
 28. Schedule of accumulated plan assets by investment type at June 30, 2007
 29. **Attachment 22, Schedule of Cash, Cash Equivalents, and Investment as of June 30**

Submit the 2007 revisions for the following **CAFR footnotes** by **August 16, 2007**:

30. Accounts Payable detail to complete Footnote 20, ACCOUNTS PAYABLE, page 121 of the 2006 CAFR
31. Accounts Receivable detail and amount to be collected greater than one year to complete Footnote 7, RECEIVABLES, page 100 of the 2006 CAFR
32. Amount of VRS Investment commitments to complete Footnote 17.C., page 117 of the 2006 CAFR
33. Footnote 6, CASH, CASH EQUIVALENTS, AND INVESTMENTS, pages 91-99 of the 2006 CAFR, including Derivative Financial Instruments information
34. Footnote 14, OTHER EMPLOYMENT BENEFITS, Group Life Insurance, Retiree Health Insurance Credit, Virginia Sickness and Disability Program, and Volunteer Firefighters' and Rescue Squad Workers' Fund sections, pages 114-115 of the 2006 CAFR
35. Footnote 15, DEFERRED COMPENSATION PLANS, pages 115-116, of the 2006 CAFR to include the Deferred Compensation Plan's net assets valued at year-end using valuation standards for certain investments as provided by **GASBS No. 31** and fair value for all other investments as provided by **GASBS No. 32**

Submit the following other information by **August 16, 2007**:

36. Ensure information requested in **Attachment 22, Cash, Cash Equivalents, and Investments as of June 30**, is presented in the VRS Financial Statement Cash, Cash Equivalents, and Investments footnote. If it is not, provide the additional information needed as requested in Attachment 22.
37. Submit the final audited financial report when available.

Continued on next page

Supplemental Information, Continued

Woodrow Wilson Rehabilitation Center

*(see submission /
revision
requirements at
the beginning of
the Supplemental
Information
section)*

If the information requested in this supplemental section is also provided on an attachment, contact the individuals listed in the [Questions](#) section of this Directive.

Submit the following by **August 16, 2007**:

1. Submit the capital asset information, including information required by **GASBS No. 42**, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*, requested in a separate communication from the Department of Accounts. Ensure the capitalization limits specified on the spreadsheet are appropriately applied.

Submit the following by **September 20, 2007**:

2. DOA will eliminate fund 0200, project 13941 and needs to know where and how the activity has been recorded on the attachments. Provide the amounts and applicable coding (function, revenue source code, **GASBS No. 34** revenue classifications, etc.) reported on any attachment submissions.

Workers' Compensation Commission

*(see submission /
revision
requirements at
the beginning of
the Supplemental
Information
section)*

If the information requested in this supplemental section is also provided on an attachment, contact the individuals listed in the [Questions](#) section of this Directive.

Submit the following by **August 30, 2007**:

1. For the FY 2007 **Uninsured Employers Fund**, provide the liability breakdown between the compensation portion and the medical portion, including an estimate of how much is due within one year and how much is due in greater than one year
 2. For the FY 2007 **Uninsured Employers Fund**, provide the actuarial report that supports the liability
-

Comptroller's Directive No. 3-07

Attachment 1

Checklist to Determine Information Required by Comptroller's Directive

Purpose

This attachment will help agencies determine what information must be submitted to DOA as required by this Directive. Some information / attachments are required by all agencies and other information / attachments are only required to be submitted by certain agencies.

Applicable agencies

All agencies **must** complete this attachment.

Due date

July 19, 2007

Certification tab

The **Certification** section is new for FY 2007, and it requires all preparers and reviewers to type their name on this form. Please note that there should be a segregation of duties; therefore, the preparer and the reviewer should not be the same individual for any tab. By typing a name, the individual is certifying that all tabs of this attachment have been reviewed, the information is both complete and accurate, and the preparer and reviewer were not the same individual for any tab.

Submission requirements

Contact DOA if the agency has any problems with the files.

After downloading the files, rename the spreadsheet file using the agency number followed by Att1. For example, agency 151 should rename its Attachment 1.xls file as 151Att1.xls.

Submit the Excel spreadsheets electronically to finrept-agvatt@doa.virginia.gov.

Copy APA via e-mail to APAFinRept@apa.virginia.gov.

Do not submit paper copies of the Excel attachment.

Continued on next page

Comptroller's Directive No. 3-07

Attachment 1

Checklist to Determine Information Required by Comptroller's Directive

Spreadsheet instructions

Complete the Checklist Tab to determine what information must be submitted. **All questions on the Checklist Tab must be answered in order for the Summary tab to be accurate.**

After completing the **Checklist** Tab, review the **Summary** Tab.

Additional information requests

DOA may contact agencies to provide additional information necessary to prepare the Commonwealth's Comprehensive Annual Financial Report.

Comptroller's Directive No. 3-07
Attachment 2
Contact Survey

Purpose	This attachment will provide DOA with the agency contact information for each agency.
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Applicable agencies	<u>All</u> agencies must complete this attachment.
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Due date	July 19, 2007
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Submission requirements	<p>Contact DOA if the agency has any problems with the file.</p> <p><u>After downloading the files, rename the spreadsheet using the agency number followed by Att2.</u> For example, agency 151 should rename the Attachment 2.xls file as 151Att2.xls.</p>
--------------------------------	---

Submit the Excel spreadsheet electronically to finrept-agyatt@doa.virginia.gov.

Copy APA via e-mail to APAFinRept@apa.virginia.gov.

Do not submit paper copies of this Excel spreadsheet.

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Comptroller's Directive No. 3-07
Attachment 3
GASBS No. 14 Checklist Modified to Reflect GASBS No. 39

Purpose

This attachment is a checklist used to evaluate, based on **GASBS No. 14** and **GASBS No. 39** criteria, each organization, foundation, or commission within an agency for possible inclusion as a component unit in the CAFR. This attachment is similar to prior year's Attachment 3.

If an organization, foundation, or commission is determined to be a component unit pursuant to **GASBS No. 39**, Attachment 3 is also used to evaluate the method of disclosure.

Applicable agencies

- All agencies that have a potential component unit that has **not** been previously evaluated using the **GASBS No. 39** checklist must complete this attachment.
 - All agencies that have a potential component unit that **has** been evaluated in prior years **if** a change has occurred that might affect its classification must complete this attachment.
-

Due date

July 19, 2007

Certification

The **Certification** is new for FY 2007, and it requires all preparers and reviewers to type their name on this form. Please note that there should be a segregation of duties; therefore, the preparer and the reviewer should not be the same individual. By typing a name, the individual is certifying that this attachment has been reviewed, the information is both complete and accurate, and the preparer and reviewer were not the same.

Submission requirements

Contact DOA if the agency has any problems with the files.

After downloading the files, rename the attachment file using the agency number followed by Att3. For example, agency 151 should rename its Attachment 3.doc file as 151Att3.doc.

Submit the attachment electronically to
finrept-agyatt@doa.virginia.gov.

Copy APA via e-mail to APAFinRept@apa.virginia.gov.

Do not submit paper copies of the attachment.

Continued on next page

Comptroller's Directive No. 3-07
Attachment 3
GASBS No. 14 Checklist Modified to Reflect GASBS No. 39

**Additional
information**

Also submit a copy of the most recently audited financial statements for any organization identified as a component unit pursuant to **GASBS No. 14** and **GASBS No. 39**. These financial statements should be sent to the following individuals:

Doug Page, Assistant Director
Department of Accounts
P.O. Box 1971
Richmond, Virginia 23218-1971
Phone 804-225-3136
Fax 804-225-2430

Staci Henshaw, Audit Director
Auditor of Public Accounts
P.O. Box 1295
Richmond, Virginia 23218
Phone 804-225-3350
Fax 804-225-3357

Comptroller's Directive No. 3-07

Attachment 4

Energy Performance Contracts

Purpose

This attachment is used to gather uniform financial reporting information for Energy Performance Contracts for which the Commonwealth has an outstanding obligation. The Treasury Board administers the lease financing program for energy efficiency projects. These projects are intended to reduce energy consumption and demand or allow for the use of an alternative energy source. In some cases these projects are funded through escrow financing. These contracts are considered installment purchase obligations of the Commonwealth. A bank account is established for the agency to purchase equipment or pay for other project expenses over a certain period of time. This is similar to prior year's Attachment 4.

Do not include any information on this attachment related to other types of installment purchase obligations or for energy related contracts that were funded with existing resources. All other types of installment purchase obligations should be reported on Attachment 6, [Schedule of Outstanding Installment Purchase Obligations](#).

Comptroller's Directive No. 3-07

Attachment 4

Energy Performance Contracts

Applicable agencies

All agencies with obligations related to “Energy Performance Contracts” that are **not** reported on a financial statement template **must** complete this attachment.

Note: The beginning balance will automatically populate based on the agency number keyed into the **Debt** tab of the attachment spreadsheet. In order to obtain the appropriate beginning balances, the following agencies must key the specified three-digit agency number for all related facilities / agencies:

The following agencies must key the specified three-digit agency number for all related facilities / agencies:

- The Department of Corrections must aggregate central office and all facilities using 701.
- The Department of Mental Health, Mental Retardation, and Substance Abuse Services must aggregate central office and all facilities using 720, with the exception of the following agencies which should complete a separate attachment (using the parenthetical agency code):
 - Southwestern Virginia Training Center – (720a)
 - Central VA Training Center- (720b)
 - Southside VA Training Center – (720c)
- The Supreme Court of Virginia must aggregate all agencies 103, 111, 112, 113, 114, 115, 116, 125, 160 using 111.

Due date

August 2, 2007

Certification

The **Certification** tab is new for FY 2007, and it requires all preparers and reviewers to type their name on this form. Please note that there should be a segregation of duties; therefore, the preparer and the reviewer should not be the same individual for any tab. By typing a name, the individual is certifying that all tabs of this attachment have been reviewed, the information is both complete and accurate, and the preparer and reviewer were not the same individual for any tab.

Continued on next page

Comptroller's Directive No. 3-07

Attachment 4

Energy Performance Contracts

Submission requirements

Contact DOA if the agency has any problems with the spreadsheets.

After downloading the files, rename the spreadsheet file using the agency number followed by Att4. For example, agency 151 should rename its Attachment 4.xls file as 151Att4.xls.

Submit the Excel spreadsheet electronically to finrept-agvatt@doa.virginia.gov.

Copy APA via e-mail to APAFinRept@apa.virginia.gov.

Do not submit paper copies of these Excel spreadsheets.

Attachment revisions

If attachment revisions are made subsequent to DOA acknowledgement of receipt and acceptance of the original attachment submission, **resubmit the revised attachment AND complete the [Revision Control Log](#) tab in the attachment excel file.**

Enter the revision date, applicable excel file tab name, row number and column letter revised, and the previous and revised information. Document text changes and numerical changes. Only enter changes for amounts actually keyed. For example, if a non-keyed, calculated total changes as a result of the revision, this does not need to be documented on the Revision Control Log.

If the attachment is revised more than once, do not delete control log revision information from the previous revision. Enter the new revision date and the additional revisions in the rows following the initial revision rows. This log should document all revisions from the initial attachment submission.

Each time a revision is submitted the **[Certification](#)** tab should be updated with new signatures and dates.

Continued on next page

Comptroller's Directive No. 3-07

Attachment 4

Energy Performance Contracts

Definitions

Energy Performance Contracts –Agreements provided by an approved energy performance contractor which provide a guarantee to significantly reduce energy operating costs of an essential Commonwealth facility through one or more energy conservation or operational efficiency measures. As a reminder, the Treasury Board must approve all Energy Performance Contracts.

Installment Purchases – Financing agreements to acquire assets for which title passes immediately to the agency. Financing arrangements covered by the Treasury Board Master Equipment Leasing Program are considered installment purchases.

Lease – A financing agreement in which the title may pass by the end of the lease term, or may not pass at all.

Capitalized Assets – For CAFR financial reporting purposes, capitalized assets are equipment related to projects valued greater than or equal to \$50,000 and buildings/CIP valued greater than or equal to \$100,000.

Controlled Assets – For CAFR financial reporting purposes, controlled assets are equipment related to projects less than \$50,000 and buildings/CIP less than \$100,000.

Comptroller's Directive No. 3-07

Attachment 4

Energy Performance Contracts

Additional considerations

GASBS No. 34 Government-wide Financial Statements

This attachment obtains information to convert the Governmental Fund Statements (modified accrual) to the Government-wide Statements (full accrual). Also, the installment purchase obligation must be reported on the following two separate line items on the Statement of Net Assets: amounts due within one year and amounts due in greater than one year.

LAS and FAACS

Agencies should ensure that installment purchases are NOT included in the Lease Accounting System (LAS) and that the capital assets acquired through these installment purchases are properly recorded in FAACS.

Audit

For audit purposes, prepare and maintain a separate listing of assets acquired under "Energy Performance Contract" related installment purchases.

Completing Debt Worksheet tab

Cells that require input are shaded in light yellow.

Step	Action
	<p>Enter the agency number. This must be done FIRST for the spreadsheet to function properly.</p> <p>Note: The following agencies must key the specified three-digit agency number for all related facilities / agencies:</p> <ul style="list-style-type: none"> • The Department of Corrections must aggregate central office and all facilities using 701. • The Department of Mental Health, Mental Retardation, and Substance Abuse Services must aggregate central office and all facilities using 720, with the exception of the following agencies which should complete a separate attachment (using the parenthetical agency code): • Southwestern Virginia Training Center – (720a) • Central VA Training Center- (720b) • Southside VA Training Center – (720c) • The Supreme Court of Virginia must aggregate all agencies 103, 111, 112, 113, 114, 115, 116, 125, and 160 using 111.

Continued on next page

Comptroller's Directive No. 3-07
Attachment 4
Energy Performance Contracts

Completing Debt Worksheet tab, continued

Step	Action
1	<ul style="list-style-type: none">• Enter the beginning balance into the Debt tab of the attachment spreadsheet. If the agency's beginning energy performance contract obligation is different than the ending obligation reflected in the fiscal year 2006 submission and in the above auto populated cell, please provide the adjusted beginning obligation amount and the reason for the difference.• Enter the amount of new "energy performance contract(s)" during fiscal year 2007.• Enter the debt service principal payments made in fiscal 2007 for energy performance contracts.• The ending balance will be computed for the agency. The agency does not have to enter this number. <u>This number MUST agree to the total future principal payments in step 3.</u>
2	<p>Complete the detailed information about the principal and interest debt service payments:</p> <ul style="list-style-type: none">• Enter corresponding amount of principal and interest by fund / fund detail and function.• Total principal MUST agree to the total in Step 1. If not, an ERROR message will appear.• Identify the fund used by your agency to pay energy costs.
3	<ul style="list-style-type: none">• Enter future principal and interest payments by year for the first five fiscal years indicated, and then in five-year increments thereafter. Send supporting documentation to DOA. <p>Total principal payments MUST EQUAL the ending balance in step 1. If not, an ERROR message will appear.</p>

Continued on next page

Comptroller's Directive No. 3-07
Attachment 4
Energy Performance Contracts

**Completing the
Fund Activity
tab**

The contact information is linked to the Debt Worksheet Tab. Cells that require input are shaded in light yellow.

Step	Action
1	<ul style="list-style-type: none">• Provide the date of any current year financing agreement that was entered into and the date your agency received the related proceeds.
2	<ul style="list-style-type: none">• Provide the cash basis fund activity related to energy contracts. Enter beginning balance amount. If the beginning balance amount does not represent the agency's ending balance reported in the prior fiscal year CAFR, please provide explanation in the comment box.• Enter investment earnings, payment to contractors, and other payments (excluding debt service). Current year proceeds will auto populate. Send supporting documentation to DOA, including bank statement, portfolio summary, and schedule of values.• Provide whether amounts are recorded in CARS and if so, enter the agency #, fund / fund detail and GLA.• Categorize the ending balance of unspent proceeds as cash, cash equivalents, or investments. Complete Attachment 22 – Schedule of Cash, Cash Equivalents, and Investments at June 30 if there is a balance in any of these fields.
3	<ul style="list-style-type: none">• Provide total payments to contractors made in July and August 2007, which relate to amounts owed at 6/30 (excluding retainage).• Provide amount owed to contractors as of 6/30 for which payments were made after August 31, 2007.• Provide retainage payable as of 6/30.
4	<ul style="list-style-type: none">• Provide information about any energy contract agreements entered into subsequent to June 30, 2007.

Continued on next page

Comptroller's Directive No. 3-07

Attachment 4

Energy Performance Contracts

Completing the Capital Assets tab

The contact information is linked to the Debt Worksheet Tab. Cells that require input are shaded in light yellow.

Step	Action
1	<ul style="list-style-type: none">Answer yes or no as to whether capitalized equipment valued at \$50,000 or more and / or buildings / construction in progress valued at \$100,000 or more were acquired with energy contract proceeds
2	<ul style="list-style-type: none">If you answered yes in step 1, answer yes or no as to whether any payments to contractors on the Fund Activity tab resulted in purchases of capital assets.If yes, complete the schedule at step 2If no, explain why in step 2 and complete the schedule at step 3

Function codes defined

Functional codes are the first number in every service area. For example, service area 1031000 "Community Services" would fall under the "Education" function. Each functional code and its corresponding description are below.

- 1 – Education
- 3 – Administration of Justice
- 4 – Individual and Family Services
- 5 – Resources and Economic Development
- 6 – Transportation
- 7 – General Government
- 8 – Enterprises

Comptroller's Directive No. 3-07
Attachment 5
Leave Liability Statement – CIPPS and Non-CIPPS Users

Purpose

This attachment is used to accumulate leave liability information for recording compensated absence liabilities in accordance with GAAP. This attachment is similar to prior year's Attachment 5.

Applicable agencies

All agencies and funds with compensated absence liabilities (whether CIPPS is used or not) that are **not** included on a financial statement template must complete this attachment.

Note: The Payroll Service Bureau will complete Part 1 of the attachment related to CIPPS users for all agencies using the Bureau's services and will forward the attachment to the agency for review and approval. These agencies must still complete Questions A through E on the CIPPS-Part 1 tab and submit the attachment to DOA using the submission requirements below.

Note: Since the Library of Virginia, the Department of Corrections, and the Department of Mental Health, Mental Retardation, and Substance Abuse Services use CIPPS for some employees, DOA will provide the U007 and U008 reports to assist in the preparation of Part 3 of the Non-CIPPS tab, if requested. Contact Sharon Lawrence at (804)-225-2414 or Sharon.lawrence@doa.virginia.gov to receive these reports.

Due date

August 2, 2007

Certification

The **Certification** tab is new for FY 2007, and it requires all preparers and reviewers to type their name on this form. Please note that there should be a segregation of duties; therefore, the preparer and the reviewer should not be the same individual for any tab. By typing a name, the individual is certifying that all tabs of this attachment have been reviewed, the information is both complete and accurate, and the preparer and reviewer were not the same individual for any tab.

Continued on next page

Comptroller's Directive No. 3-07

Attachment 5

Leave Liability Statement – CIPPS and Non-CIPPS Users

Submission requirements

Contact DOA if the agency has any problems with the spreadsheets.

After downloading the files, rename the spreadsheet file using the agency number followed by Att5. For example, agency 151 should rename its Attachment 5.xls file as 151Att5.xls.

Submit the Excel spreadsheet electronically to finrept-agyatt@doa.virginia.gov.

Copy APA via e-mail to APAFinRept@apa.virginia.gov.

Do not submit paper copies of the Excel spreadsheet.

Attachment revisions

If attachment revisions are made subsequent to DOA acknowledgement of receipt and acceptance of the original attachment submission, **resubmit the revised attachment AND complete the [Revision Control Log Tab](#) in the attachment excel file.**

Enter the revision date, row number and column letter revised, and the previous and revised information. Document text changes and numerical changes. Only enter changes for amounts actually keyed. For example, if a non-keyed, calculated total changes as a result of the revision, this does not need to be documented on the Revision Control Log.

If the attachment is revised more than once, do not delete control log revision information from the previous revision. Enter the new revision date and the additional revisions in the rows following the initial revision rows. This log should document all revisions from the initial attachment submission.

Each time a revision is submitted the [Certification](#) tab should be updated with new signatures and dates.

Continued on next page

Comptroller's Directive No. 3-07
Attachment 5
Leave Liability Statement – CIPPS and Non-CIPPS Users

Definitions

Current Leave Liability – The portion of accrued leave liability associated with employees who terminated on or before June 24, 2007, and who will not be paid for compensated leave until after June 30, 2007.

Long-term Leave Liability – The liability for accrued annual, sick or disability credits, compensatory, overtime, on-call leave, and applicable sabbatical leave for all leave-eligible employees employed by the State on June 25, 2007.

- **Long-term Leave Liability Due Within One Year** – The portion of long-term leave liability that is due within one year after the fiscal year end. For fiscal year 2007, it is the liability due by June 30, 2008.
- **Long-term Leave Liability Due Greater Than One Year** – The portion of long-term leave liability that is due after June 30, 2008.

Note: Current leave liability is based on actual amounts owed and is reported on the modified accrual basis of accounting whereas long-term leave due within one year is an estimate of leave to be paid and / or used within one year after fiscal year end and is reported on the full accrual basis of accounting.

For governmental funds, only the current leave liability (as defined above) should be reported in the fund statements. The long-term amount due within one year and the long-term amount due greater than one year should be reported in the government-wide statements.

Continued on next page

Comptroller's Directive No. 3-07
Attachment 5
Leave Liability Statement – CIPPS and Non-CIPPS Users

GASBS No. 16
requirements

GASBS No. 16, *Accounting for Compensated Absences*, requires the accrual of compensated absence liability, regardless of fund type. Leave liability should include the following:

- Employer's share of Social Security and Medicare taxes on all accrued compensated absences
 - Termination payments for sick leave or disability credits limited to the lesser of 25% of leave earned or \$5,000
 - Other leave earned such as sabbatical leave (if unrestricted in nature), on-call, overtime, and compensatory leave that has not been used by or paid to the employee
 - Employer contribution payments made to defined contribution or cost-sharing multiple employer defined benefit pension plans, if associated with service
-

**Impact of
Virginia
Sickness and
Disability
Program
(VSDP)**

For those employees who participate in the VSDP and converted sick leave balances to Virginia Retirement System service credit, the accrual for compensated absences will no longer include an amount for sick leave.

However, for those employees who participate in the VSDP and converted sick leave balances to disability credits, the accrual for compensated absences **will include an amount for disability credits**. The calculation of this amount should result in the same amount as would have been calculated for sick leave had these employees remained in the non-VSDP sick leave program. The sick leave or disability credits liability is limited to the lesser of 25% of leave earned or \$5,000.

Continued on next page

Comptroller's Directive No. 3-07
Attachment 5
Leave Liability Statement – CIPPS and Non-CIPPS Users

**Functional
codes defined**

Functional codes are the first number in every service area. For example, service area 1031000 “Community Services” would fall under the “Education” function. Each functional code and its corresponding description are below.

1-Education
3-Administration of Justice
4-Individual and Family Services
5-Resources and Economic Development
6-Transportation
7-General Government
8-Enterprise

**Social Security
and Medicare
taxes**

The CIPPS reports have been modified to include the Social Security (6.2% on a maximum salary base of \$97,500) and Medicare taxes (1.45%, no salary limit) on the accrued leave.

**General
Information
and Summary
of Attachment**

Information should only be entered in yellow cells. Validation fields have been created to ensure agreement between appropriate amounts reported on each page. If error messages are displayed, please revise the information as required to eliminate the error messages.

The leave attachment is comprised of the following:

- Contact Information
 - Questions A-E
 - Part 1 – Leave Liability on CIPPS
 - Part 2 – Leave Liability NOT on CIPPS
 - Part 3 – Non-CIPPS Leave Liability Due within One Year and Due Greater than One Year (Pages 9 and 10 provide an auditor approved methodology that can be used to complete Part 3)
 - Part 4 – Non-CIPPS **GASBS No. 34** Footnote Disclosure
 - Part 5 – Variance Analysis
 - Certification Tab
-

Continued on next page

Comptroller's Directive No. 3-07
Attachment 5
Leave Liability Statement – CIPPS and Non-CIPPS Users

**Completing the
contact
information**

It is only necessary to enter the contact information on the CIPPS-Part 1 tab. The contact information is linked to the remaining tabs. All agencies should select the agency number from the drop-down box and complete the remaining contact information.

The prior year total leave liability will be entered automatically when the agency number is selected.

**Completing
Questions A
through E**

All agencies and funds that are not included on a financial statement template must answer ALL the following questions to determine what parts of the attachment must be completed. The Part(s) that must be completed are determined by Yes / No answers to the questions and these instructions are included on the excel attachment.

- A) Does the agency use CIPPS leave?
 - B) Are there any adjustments required to correct the total shown on the Leave Liability Database on DOA's website? See the discussion concerning the Leave Liability Database on the following page.
 - C) Does any of the total leave liability reported in Part 1 (Step 4) represent current leave (leave for employees terminated on or before June 24, 2007, but will be paid after June 30, 2007)?
 - D) Does the agency have compensated absence liabilities that are not reported on CIPPS?
 - E) Is the variance between the current and prior years balance greater than 10% and \$1,500,000?
-

Continued on next page

Comptroller's Directive No. 3-07
Attachment 5
Leave Liability Statement – CIPPS and Non-CIPPS Users

**Completing
Part 1- Leave
Liability on
CIPPS**

DOA has extracted leave data from the CIPPS file. This data is provided in the **Leave Liability Database** file posted on DOA's website at www.doa.virginia.gov. Click on the "Financial Reporting" link, then click on "Financial Statement Directives." **Note: The file will not be available on the website until mid-July 2007.**

The **Leave Liability Database** file has been modified to combine various reporting funds (i.e., 0100 and 1100, 0200 and 2200). In addition, if any leave liability amounts were coded to capital outlay (functional code 9) these amounts have been combined with the most predominant expenditure functional code used by the agency.

Determine whether any adjustments are required to correct the total shown on the **Leave Liability Database**. Consider the following items to determine whether the amounts are accurate:

- Did the agency receive leave slips for absences on or before June 24, 2007, that were not processed in CIPPS? The following exceptions **do not** require adjustments:
 - Leave slips for absences during June 25, 2007, through June 30, 2007
 - Late leave slips for leave taken prior to June 25, 2007
 - Will the agency have payouts to terminated employees paid after June 24, 2007, but prior to July 1, 2007?
 - Does the agency have additional leave liability for sabbatical leave or non-VRS pension contributions not accounted for on CIPPS?
1. Make the necessary adjustments based on the questions above and enter the totals in Part 1 (Steps 1 through 4).
 2. Determine if any of the total entered in Step 4 represents current leave liability (leave liability amount for employees terminated on or before June 24, 2007, but will not be paid for the leave until after June 30, 2007). Enter any current leave liability in Step 5. The long-term leave liability will be automatically calculated in Step 6.

Note: Do not confuse current leave liability with leave liability due within one year. DOA will calculate the leave liability due within one year for all leave amounts on CIPPS.

Continued on next page

Comptroller's Directive No. 3-07
Attachment 5
Leave Liability Statement – CIPPS and Non-CIPPS Users

**Completing
Part 2 – Leave
Liability NOT
on CIPPS**

Perform the following steps to calculate leave liability for employees that are not on CIPPS:

1. Determine the leave balance at June 24 for each employee, using the agency's records. Leave should include annual, compensatory, overtime, on-call, **25% of sick or disability credits**, and applicable sabbatical leave.
2. Determine each employee's hourly rate by dividing the annual salary at June 24 by standard full time hours of 2,080.
3. Multiply the hours for each leave category by the hourly rate. (**See special instructions on Page 3 for sick leave or disability credits.**)
4. Calculate and include employer's tax payment for Social Security and Medicare on the leave liability. Based on individual employee salaries, Social Security is 6.2% on a maximum salary base of \$97,500 and Medicare is 1.45% on all salaries.
5. Compute additional leave liability for sabbatical leave and any pension contributions if applicable. (Since VRS is an agent multiple-employer defined benefit plan, no additional accrual is necessary for VRS contributions.)
6. Allocate the leave liability for each employee to the appropriate funds based on the total salary provided by each fund / fund detail and function. (Functions are described on Instructions – Page 5 of this attachment.)
7. Aggregate the information at the agency level.
8. Enter the totals by Agency, Fund Detail, and Function in Part 2 (Steps 1 through 4).
9. Determine if any of the total entered in Step 4 represents current leave liability (leave liability amount for employees terminated on or before June 24, 2007, but will not be paid for the leave until after June 30, 2007). Enter any current leave liability in Step 5. The long-term leave liability will be automatically calculated in Step 6.
10. Retain copies of all computations for review by auditors.

Note: Do not confuse current leave liability with leave liability due within one year. The agency must calculate leave due within one year in Part 3 for amounts NOT on CIPPS.

Continued on next page

Comptroller's Directive No. 3-07
Attachment 5
Leave Liability Statement – CIPPS and Non-CIPPS Users

**Completing
Part 3 –
Manually
Calculate the
Non-CIPPS
Amount Due
within one year**

The total leave liability NOT on CIPPS was already entered in Part 2 (Step 4). **GASBS No. 34** requires that this amount be reported on the Government-wide Statements in two line items - amount due within one year and amount due in greater than one year. Agencies have to manually calculate the portion that is due within one year.

Leave liability becomes due upon the occurrence of relevant events such as resignations, retirements, and uses of leave balances. These events cannot be known reliably in advance so the amount due within one year must be estimated.

The following is an auditor approved suggested methodology. **Upon calculating the long-term leave liability due within one year and greater than one year, report the amounts in Part 3.**

Perform the following steps to calculate the amount due within one year.

1. Project the number of annual and sick leave hours that will be accrued in the next fiscal year (July 1, 2007, to June 30, 2008) for each employee and in total. (Maximum carry forward limits should not have to be taken into account as the amount accrued in a 12 month period cannot exceed the maximum limits by years of service.)
2. Determine each employee's hourly rate by dividing the salary rate at June 24, 2007 by standard full time hours of 2,080.
3. Multiply the projected hours in Step 1 for each leave category by the hourly rate.

Continued on next page

Comptroller's Directive No. 3-07
Attachment 5
Leave Liability Statement – CIPPS and Non-CIPPS Users

Completing Part 3 – Manually Calculate the Non-CIPPS Amount Due within one year (continued)

4. Calculate a percentage for annual leave hours used and paid out compared to annual leave hours accrued. Calculate a second percentage for sick leave hours used and paid out compared to sick leave hours accrued. (For example, agency XYZ used and / or paid out 1,000 hours of annual leave. The annual leave hours earned for agency XYZ were 4,000. Therefore, the percentage factor for XYZ annual leave usage would be 25%). **This calculation can be done on a fiscal year or calendar year basis using historical data.**
 5. Multiply the percentages for annual and sick leave usage in Step 4 by the projected annual and sick leave liabilities calculated in Step 3.
 6. Aggregate the information for annual and sick leave in total. This is the amount due within one year.
 7. Adjust the long-term leave liability for the amount due within one year.
 8. Retain copies of all computations for review by auditors.
-

**Completing
Part 4 – Non-
CIPPS GASBS
No. 34 footnote
disclosure**

The following information is required footnote disclosure under **GASBS No. 34**.

- Beginning Balance – should equal the prior year ending balance.
- Increases – use the projected amount calculated in Step 3 from FY 2006 or actual current year information.
- Decreases – calculated amount since other three amounts are known
- Ending Balance – should equal the total leave liability calculated.

DOA realizes the projected leave liability amounts are being used as current year increases. (Agencies may calculate increases based on actual current year information.) **The due within one year amount calculated for the current fiscal year can be used as increases in the next fiscal year.**

**Completing
Part 5 –
Variance
Analysis**

The total leave liability amounts entered in Parts 1 and 2 are summed in Part 5. This amount is compared to the prior year ending balance which was entered automatically when the agency number was selected.

Provide an explanation in the yellow box if the variance between current and prior years balance is greater than 10% and \$1,500,000.

Comptroller's Directive No. 3-07
Attachment 6
Schedule of Outstanding Installment Purchase Obligations

Purpose

This attachment is used to gather uniform financial reporting information for installment purchase obligations including footnote disclosures. This is similar to prior year's Attachment 6.

Do not include any information on this attachment related to energy performance contracts. Installment purchase obligations for energy performance contracts should be reported on [Attachment 4, Energy Performance Contracts](#).

Applicable agencies

All agencies with installment purchases that are **not** reported on a financial statement template **must** complete this attachment.

Note: The beginning balance will automatically populate based on the agency number keyed into the **IP Worksheet Tab** of the attachment spreadsheet. In order to obtain the appropriate beginning balances, the following agencies must key the specified three-digit agency number for all related facilities / agencies:

- The Department of Corrections must aggregate central office and all facilities using 701.
 - The Department of Mental Health, Mental Retardation, and Substance Abuse Services must aggregate central office and all facilities using 720.
 - The Supreme Court of Virginia must aggregate all agencies 103, 111, 112, 113, 114, 115, 116, 125, 160 using 111.
-

Due date

[August 2, 2007](#)

Certification

The **Certification** tab is new for FY 2007, and it requires all preparers and reviewers to type their name on this form. Please note that there should be a segregation of duties; therefore, the preparer and the reviewer should not be the same individual for any tab. By typing a name, the individual is certifying that all tabs of this attachment have been reviewed, the information is both complete and accurate, and the preparer and reviewer were not the same individual for any tab.

Continued on next page

Comptroller's Directive No. 3-07
Attachment 6
Schedule of Outstanding Installment Purchase Obligations

**Submission
requirements**

Contact DOA if the agency has any problems with the spreadsheets.

After downloading the files, rename the spreadsheet file using the agency number followed by Att6. For example, agency 151 should rename its Attachment 6.xls file as 151Att6.xls.

Submit the Excel spreadsheet electronically to
finrept-agyatt@doa.virginia.gov.

Copy APA via e-mail to APAFinRept@apa.virginia.gov.

Do not submit paper copies of these Excel spreadsheets.

**Attachment
revisions**

If attachment revisions are made subsequent to DOA acknowledgement of receipt and acceptance of the original attachment submission, **resubmit the revised attachment AND complete the [Revision Control Log Tab](#) in the attachment excel file.**

Enter the revision date, applicable excel file tab name, row number and column letter revised, and the previous and revised information. Document text changes and numerical changes. Only enter changes for amounts actually keyed. For example, if a non-keyed, calculated total changes as a result of the revision, this does not need to be documented on the Revision Control Log.

If the attachment is revised more than once, do not delete control log revision information from the previous revision. Enter the new revision date and the additional revisions in the rows following the initial revision rows. This log should document all revisions from the initial attachment submission.

Each time a revision is submitted the **[Certification](#)** tab should be updated with new signatures and dates.

Continued on next page

Comptroller's Directive No. 3-07
Attachment 6
Schedule of Outstanding Installment Purchase Obligations

Definitions

Installment Purchases – Financing agreements to acquire assets for which title passes immediately to the agency. Financing arrangements covered by the Treasury Board Master Equipment Leasing Program are considered installment purchases.

Lease – A financing agreement in which the title may pass by the end of the lease term, or may not pass at all.

Capitalized Fixed Assets – For CAFR financial reporting purposes, capitalized assets are equipment valued greater than or equal to \$50,000 and buildings / CIP valued greater than or equal to \$100,000.

Controlled Fixed Assets – For CAFR financial reporting purposes, controlled assets are equipment less than \$50,000 and buildings / CIP less than \$100,000.

**Additional
considerations**

GASBS No. 34 Government-wide Financial Statements

This attachment provides information to convert the Governmental Fund Statements (modified accrual) to the Government-wide Statements (full accrual). Also, the installment purchase obligation must be reported on the following two separate line items on the Statement of Net Assets: amounts due within one year and amounts due in greater than one year.

LAS and FAACS

Agencies should ensure that installment purchases are NOT included in the Lease Accounting System (LAS) and that the fixed assets acquired through these installment purchases are properly recorded in FAACS.

Audit

For audit purposes, prepare and maintain a separate listing of assets acquired under outstanding installment purchases.

Continued on next page

Comptroller's Directive No. 3-07
Attachment 6
Schedule of Outstanding Installment Purchase Obligations

**Completing IP
Worksheet tab**

Cells that require input are shaded in light yellow.

Step	Action
	Enter the agency number. This must be done FIRST for the spreadsheet to function properly.
1	<ul style="list-style-type: none">• Enter beginning balance amount. If the beginning balance amount does not represent the agency's ending balance reported in the prior fiscal year CAFR, please provide explanation in the comment box.• Note: If a restatement of the prior balance is required, contact those listed in the Questions section of this directive.• Enter the amount of any new installment purchase obligations for the current fiscal year.• Enter the principal payments made in the current fiscal year for installment purchases.• The ending balance will be computed for the agency. The agency does not have to enter this number. <u>This number MUST agree to the total future principal payments on the Long-term Debt Tab.</u>
2	Complete the detailed information about new installment purchase obligations: <ul style="list-style-type: none">• Enter new acquisitions by fund and function.• Total acquisitions MUST agree to the total in Step 1. If not, an ERROR message will appear.
3	Complete the detailed information about the principal and interest payments: <ul style="list-style-type: none">• Enter corresponding amount of principal and interest by function.• Total principal MUST agree to the total in Step 1. If not, an ERROR message will appear.

Continued on next page

Comptroller's Directive No. 3-07
Attachment 6
Schedule of Outstanding Installment Purchase Obligations

Completing IP Worksheet tab, continued

Step	Action
4	<p>Completing the detailed information about assets acquired with new installment purchases (or acquisitions):</p> <ul style="list-style-type: none">• Select Yes or No for whether any assets valued at \$50,000 or more were acquired with new installment purchase obligations in the current fiscal year. If Yes, go to the next question. If No, go to the Long-term Debt tab.• Select Yes or No for whether assets valued at \$50,000 or more acquired with new installment purchase obligations were recorded in FAACS in the current fiscal year. If Yes, complete the detailed information about the assets in the schedule and then go to the Long-term Debt tab. If No, explain why the assets were not recorded in FAACS in the current fiscal year and then go to the Long-term Debt tab. <p>Note: All installment purchase assets on FAACS should be marked with an "I" in the acquisition method field. For any installment purchase assets that do not have an "I", immediately correct the acquisition method and the funding source in FAACS.</p>

Continued on next page

Comptroller's Directive No. 3-07
Attachment 6
Schedule of Outstanding Installment Purchase Obligations

**Completing the
Long-term
Debt tab**

The contact information is linked to the [IP Worksheet](#) tab. Cells that require input are shaded in light yellow.

Step	Action
1	<p>Enter future principal and interest payments by year for the first five fiscal years indicated, and then in five-year increments thereafter. Total principal payments MUST EQUAL the ending balance on the IP Worksheet tab. If not, an ERROR message will appear.</p> <p>Note: Soft costs should be amortized over the life of the asset and included in the payment amounts being reported. These costs entail freight and transportation charges, installation costs, site preparation expenditures, professional fees (including title costs and surveying fees if appropriate), legal costs directly attributable to asset acquisition, and cost of necessary easements and right-of-ways. (Also see CAPP Manual Topic No. 30210 for more detailed information.)</p>
2	<p>The total future principal payments amount is linked to the total of the principal amounts entered in Step 1.</p> <p>Enter the agency total principal shown on the MELP listing located at www.doa.virginia.gov. Click on the “Financial Reporting” link, then click on “Financial Statement Directives.” The variance and whether a fluctuation analysis is required is automatically calculated.</p> <p>Note: The MELP listing for the current fiscal year will be available mid-July. Please be aware that some agencies will have items in more than one location on the listing.</p> <p>If a Fluctuation Analysis is required provide a detailed explanation of the variance in the space provided on the attachment.</p>

Continued on next page

Comptroller's Directive No. 3-07
Attachment 6
Schedule of Outstanding Installment Purchase Obligations

**Function codes
defined**

Functional codes are the first number in every service area. For example, service area 1031000 “Community Services” would fall under the “Education” function. Each functional code and its corresponding description are below.

- 1 – Education
 - 3 – Administration of Justice
 - 4 – Individual and Family Services
 - 5 – Resources and Economic Development
 - 6 – Transportation
 - 7 – General Government
 - 8 – Enterprises
-

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Comptroller's Directive No. 3-07
Attachment 7
Schedule of Inventory on Hand at June 30 and Prepayments

Purpose

This attachment is used to gather financial information for reporting materials and supplies inventory on hand and prepayments at June 30 in the CAFR. This attachment is similar to prior year's Attachment 7.

Applicable agencies

- Agencies with supplies and materials exceeding \$1,000,000 that are not reported in a financial statement template must complete this attachment.
 - Agencies with prepayments that are not reported in a financial statement template must complete this attachment.
-

Due date

August 2, 2007

Certification

The **Certification** tab is new for FY 2007, and it requires all preparers and reviewers to type their name on this form. Please note that there should be a segregation of duties; therefore, the preparer and the reviewer should not be the same individual for any tab. By typing a name, the individual is certifying that all tabs of this attachment have been reviewed, the information is both complete and accurate, and the preparer and reviewer were not the same individual for any tab.

Submission requirements

Contact DOA if the agency has any problems with the files.

After downloading the files, rename the spreadsheet using the agency number followed by Att7. For example, agency 151 should rename the Attachment 7.xls file as 151Att7.xls.

Submit the Excel spreadsheet electronically to
finrept-agyatt@doa.virginia.gov.

Copy APA via e-mail to APAFinRept@apa.virginia.gov.

Do not submit paper copies of the Excel spreadsheet.

Continued on next page

Comptroller's Directive No. 3-07
Attachment 7
Schedule of Inventory on Hand at June 30 and Prepayments

**Attachment
revisions**

If attachment revisions are made subsequent to DOA acknowledgement of receipt and acceptance of the original attachment submission, **resubmit the revised attachment AND complete the Revision Control Log tab in the attachment excel file.**

Enter the revision date, applicable excel file tab name, row number and column letter revised, and the previous and revised information. Document text changes and numerical changes. Only enter changes for amounts actually keyed. For example, if a non-keyed, calculated total changes as a result of the revision, this does not need to be documented on the Revision Control Log.

If the attachment is revised more than once, do not delete control log revision information from the previous revision. Enter the new revision date and the additional revisions in the rows following the initial revision rows. This log should document all revisions from the initial attachment submission.

Each time a revision is submitted the **Certification** tab should be updated with new signatures and dates.

**Examples of
inventory**

Examples of materials and supplies inventory include office supplies, clothing for inmates or patients, and food stock.

The following items should **not** be included in inventory.

- Consigned inventory
 - Audiovisual equipment
 - Donated food
-

**Control
procedures**

Control procedures are required regardless of materiality. If a physical count is necessary, contact DOA, as needed, for guidance and inform the agency's APA contact of inventory count dates.

**CAPP Manual
Topic 30515 –
Supplies and
Materials
Inventory**

This CAPP topic provides Objectives and Standards for an inventory control system as well as specific policies and procedures for maintaining and accounting for supplies and materials inventory. Please review this topic for additional guidance on conducting physical inventories.

Continued on next page

Comptroller's Directive No. 3-07
Attachment 7
Schedule of Inventory on Hand at June 30 and Prepayments

**Completing
Inventory tab
attachment**

Instructions for completing this attachment are in the following tables.

Step	Action
1	If the agency has inventory, ensure the agency has procedures to identify, control, and safeguard inventory as follows. <ul style="list-style-type: none">• Appropriate access to inventory by employees• Proper segregation of duties in the inventory process, from purchasing to distribution to users• Secure location for storing inventory• Adequate insurance coverage for inventory
2	Determine the value of inventory, either through a physical count or other acceptable means. See the following table for more details on determining value .
3	The attachment is designed to only require keying in the shaded yellow cells. Type the agency number on the first yellow cell of the attachment. After you hit enter, the agency name and prior year balance will be filled in automatically. Enter the agency contact information.
4	Complete the remainder of the attachment. Use whole numbers for all entries. The total dollar amount of inventory on hand will be automatically entered into the appropriate cell and the variance will be calculated.
5	A fluctuation analysis is required for variances <u>greater than 10% AND \$1.5 million over / under prior year amounts</u> . If a fluctuation analysis is required, it will be indicated on the attachment after all amounts have been entered. Ensure that these variances are fully explained in the space provided.

Continued on next page

Comptroller's Directive No. 3-07
Attachment 7
Schedule of Inventory on Hand at June 30 and Prepayments

**Determining
value**

Use the following table to determine if a physical count is needed.

If inventories are...	Then is a physical inventory required?
1. Not reported in a financial statement template and the amount as of June 30 is expected to be greater than \$1,000,000 and all of the following conditions exist: <ul style="list-style-type: none">• A complete annual physical inventory is impractical• Maintain a perpetual inventory system• Adopted a proper technique for performing an ongoing physical inventory of all material individual items throughout the year• Adopted a statistical sampling technique to estimate the quantities of goods on hand at a particular date	No
2. Not reported in financial statement template and the amount as of June 30 is expected to be greater than \$1,000,000 and not exempted above.	Yes

Note

If State or Federal regulations apply to the inventory, evaluate those regulations when determining whether to perform a physical inventory count. **Donated food**, although not reported on the financial statements, must still be counted for Federal reporting purposes.

If a physical count is necessary, carefully plan the physical count, perform the count in an efficient and systematic manner, and determine the value of inventory.

Continued on next page

Comptroller's Directive No. 3-07

Attachment 7

Schedule of Inventory on Hand at June 30 and Prepayments

Pricing methods

The agency must use a pricing methodology acceptable by generally accepted accounting principles, which requires inventories to be reported at the lower of cost or market. The most commonly used method is FIFO (first in, first out).

Inventory should be reduced to net realizable value by eliminating the value of items noted as obsolete, defective, excessive, or slow moving. Also, exclude consigned and / or donated inventory.

Prepaid items

Include certain type of services that are paid for in advance. Examples are rent, insurance, and computer services.

Completing the Prepaid Items Tab

The information provided in this tab will be used to identify prepayments to internal service funds and other primary government funds to facilitate a reconciliation of prepaid items of the paying agency to the deferred revenue of the receiving agency by agency and fund. Instructions for completing this tab are in the following table.

Step	Action
1	<p>If the agency made prepayments to other state agencies, please provide the following information in Part 1:</p> <ul style="list-style-type: none">• Agency Receiving Prepayment• Amount of Prepayment• Fund/Fund Detail Making Payment• Function Making Payment• Period Covered by Prepayment• Description of Prepayment
2	<p>If the agency made prepayments to non-state agencies, please provide the following information in Part 2:</p> <ul style="list-style-type: none">• Entity Receiving Prepayment• Amount of Prepayment• Fund/Fund Detail Making Payment• Function Making Payment• Period Covered by Prepayment• Description of Prepayment

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Comptroller's Directive No. 3-07
Attachment 8
Governmental Fund Financial Statement Template

Purpose

This attachment is used to obtain the financial statement and footnote information for governmental funds. This attachment is similar to prior year's Attachment 8.

Applicable agencies

This attachment is applicable to all agencies with governmental funds specified on pages 11-13 in the **Preparation of GAAP Basis Financial Statement Templates (Attachments 8-12)** section of this Directive.

Due date

August 16, 2007

Submission requirements

Contact DOA if the agency has any problems with the files.

A separate template must be completed for each governmental fund specified in the Directive. After downloading the files, rename the spreadsheet file using the agency number followed by Att8-Fund Number. For example, if agency 151 has two special revenue funds, two debt service funds, and one permanent fund, five attachments will be submitted. The attachments will be renamed as follows:

Special revenue funds, 151Att8-SR1.xls and 151Att8-SR2.xls;

Debt service funds, 151Att8-DS1.xls and 151Att8-DS2.xls; and

Permanent funds, 151Att8-PM1.xls

Note: Contact DOA if there are an insufficient number of rows on any tab.

Submit the Excel spreadsheet electronically to

finrept-agvatt@doa.virginia.gov

Copy APA via e-mail to APAFinRept@apa.virginia.gov.

Do **not** submit paper copies of the Excel attachment.

Continued on next page

Comptroller's Directive No. 3-07

Attachment 8

Governmental Fund Financial Statement Template

Attachment revisions

If attachment revisions are made subsequent to DOA acknowledgement of receipt and acceptance of the original attachment submission, **resubmit the revised attachment AND complete the Revision Control Log tab in the attachment excel file.**

Enter the revision date, applicable excel file tab name, row number and column letter revised, and the previous and revised information. Document text changes and numerical changes. Only enter changes for amounts actually keyed. For example, if a non-keyed, calculated total changes as a result of the revision, this does not need to be documented on the Revision Control Log.

If the attachment is revised more than once, do not delete control log revision information from the previous revision. Enter the new revision date and the additional revisions in the rows following the initial revision rows. This log should document all revisions from the initial attachment submission.

Each time a revision is submitted the **Certification** tab should be updated with new signatures and dates.

General information

1. The templates include numerous features, including automated comments and validation messages, to assist in the preparation and review of financial data.
2. **GASBS No. 42**, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*. Per **GASBS No. 42**, insurance recoveries must be reported on the governmental fund modified accrual statements as other financing sources or extraordinary items. On the government-wide full accrual statements, they must be reported as program revenue or extraordinary items. The amount and financial statement line item for insurance recoveries must be disclosed. A line item has been provided on the template to report insurance recoveries in accordance with this statement. The line item is Insurance Recoveries. If this template has capital assets, DOA may request additional information to properly report amounts in accordance with **GASBS No. 42** for any permanently impaired capital assets.
3. **GASBS No. 40**, *Deposit and Investment Risk Disclosures* (tabs 1A, 1B, & 1C). Refer to **Attachment 22, Cash, Cash Equivalents, and Investments at June 30** for guidance on completing these tabs.
4. Ensure that all footnote tabs applicable to the data entered on the statements are completed. Complete **Tab 4 – Miscellaneous** tab for **all funds**.

Continued on next page

Comptroller's Directive No. 3-07
Attachment 8
Governmental Fund Financial Statement Template

**General
information,
*continued***

5. Refer to the [**GASBS No. 33 – Nonexchange Transactions Overview**](#), [**GASBS No. 34 – Financial Reporting Model Overview**](#), and [**Additional Guidance for Preparation of GAAP Basis Fund Financial Statement Templates**](#) sections of this Directive for additional preparation guidance.
 6. Each template requires completion of a fluctuation analysis of prior year and current year financial statement template balances. The prior year modified accrual basis financial statement template amounts will automatically populate into the appropriate column on [**Tab 8 - Fluctuation Analysis**](#) based upon the fund selected from the dropdown list on the [**Tab 1 – Fund Financial Stmt Template**](#). Each agency should review the Directive section entitled [**Additional Guidelines for Preparation of GAAP Basis Fund Financial Statement Templates, Fluctuation Analysis Guidelines and Materiality Scopes**](#) to determine the dollar and percentage variance that requires an explanation.
 7. Provide explanations for the fluctuation analysis in a Microsoft Word document and submit with the template. In your explanations quantify the underlying reasons (i.e., management decision, trend, event) for the change, don't just state the item increased or that the item increased because another item decreased.
 8. The [**Certification**](#) tab is new for FY 2007, and it requires all preparers and reviewers to type their name on this form. Please note that there should be a segregation of duties; therefore, the preparer and the reviewer should not be the same individual for any tab. By typing a name, the individual is certifying that all tabs of this attachment have been reviewed, the information is both complete and accurate, and the preparer and reviewer were not the same individual for any tab.
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Comptroller's Directive 3-07
Attachment 9
Enterprise Fund Financial Statement Template

Purpose	This attachment is used to obtain the financial statement and footnote information for enterprise funds. This attachment is similar to prior year's Attachment 9.
Applicable agencies	This attachment is applicable to all agencies with enterprise funds specified on pages 11-13 in the Preparation of GAAP Basis Financial Statement Templates (Attachments 8-12) section of this Directive.
Due date	August 16, 2007
Certification tab	The Certification tab is new for FY 2007, and it requires all preparers and reviewers to type their name on this form. Please note that there should be a segregation of duties; therefore, the preparer and the reviewer should not be the same individual for any tab. By typing a name, the individual is certifying that all tabs of this attachment have been reviewed, the information is both complete and accurate, and the preparer and reviewer were not the same individual for any tab.
Submission requirements	<p><u>After downloading the file, rename the spreadsheet file using the agency number followed by the enterprise fund name followed by Att 9.</u> For example, the Department of General Service's (agency 194) Consolidated Laboratories fund, should rename its Attachment 9.xls file as 194ConsolidatedLabsAtt9.xls.</p> <p>Submit the Excel spreadsheet electronically to finrept-agvatt@doa.virginia.gov.</p> <p>Copy APA via e-mail to APAFinRept@apa.virginia.gov. Do <u>not</u> submit paper copies of the Excel attachment.</p>

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Comptroller's Directive 3-07
Attachment 9
Enterprise Fund Financial Statement Template

**Attachment
revisions**

If attachment revisions are made subsequent to DOA acknowledgement of receipt and acceptance of the original attachment submission, **resubmit the revised attachment AND complete the Revision Control Log Tab in the attachment excel file.**

Enter the revision date, applicable excel file tab name, row number and column letter revised, and the previous and revised information. Document text changes and numerical changes. Only enter changes for amounts actually keyed. For example, if a non-keyed, calculated total changes as a result of the revision, this does not need to be documented on the Revision Control Log.

If the attachment is revised more than once, do not delete control log revision information from the previous revision. Enter the new revision date and the additional revisions in the rows following the initial revision rows. This log should document all revisions from the initial attachment submission.

Each time a revision is submitted the **Certification** tab should be updated with new signatures and dates.

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Comptroller's Directive 3-07
Attachment 9
Enterprise Fund Financial Statement Template

**General
information**

1. The templates include numerous features, including automated comments and validation messages, to assist in the preparation and review of financial data.
2. Cash, cash equivalent, and investment footnotes (tabs 1A, 1B, & 1C) are designed to obtain information for [**GASBS No. 40**](#). Refer to [**Attachment 22, Cash, Cash Equivalents, and Investments at June 30**](#) for guidance on completing these tabs.
3. Ensure that all footnote tabs applicable to the data entered on the statements are completed. All funds must complete [**Tab 6 – Commitment**](#), [**Tab 7 – Miscellaneous**](#), and [**Tab 14 – Fund Conversion**](#). [**Tab 3 – Capital Assets**](#) has parts 3.1 to 3.2 for [**GASBS No. 42**](#). Refer to instructions below and [**GASBS No. 42**](#) for guidance.
4. Refer to the [**GASBS No. 33 – Nonexchange Transactions Overview**](#), [**GASBS No. 34 – Financial Reporting Model Overview**](#), and [**Additional Guidance for Preparation of GAAP Basis Fund Financial Statement Templates**](#) sections of this Directive for additional preparation guidance.
5. Refer to instructions on the following pages for proper recordation of activities related to Energy Performance Contracts.
6. Each template will require a fluctuation analysis of prior year and current year balances per the templates. DOA has included fiscal 2006 amounts in this template for comparison purposes. Each agency should review the Directive section entitled [**Additional Guidelines for Preparation of GAAP Basis Fund Financial Statement Templates, Fluctuation Analysis Guidelines and Materiality Scopes**](#) to determine the dollar and percentage variance that requires an explanation.
7. Provide explanations for fluctuation analysis in a Microsoft Word document and submit with the template. In your explanations quantify the underlying reasons (i.e., management decision, trend, event) for the change, don't just state the item increased or that the item increased because another item decreased.

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Comptroller's Directive 3-07
Attachment 9
Enterprise Fund Financial Statement Template

**Energy
Performance
Contracts**

The Treasury Board administers the lease financing program for energy efficiency projects. These projects are intended to reduce energy consumption and demand or allow for the use of an alternative energy source. In some cases these projects are funded through escrow financing. A bank account is established for the agency to purchase equipment or pay for other project expenses over a certain period of time. This type of funding should be reported as installment purchase obligations. Below are example entries of how to record activity related to the escrow funding of these projects. (**Note:** In some cases the specific financial statement template (FST) line item is not provided. Use professional judgment to determine the appropriate FST line item.)

Cash Installment Purchase Obligations	Record escrow funds to be used by the agency for the energy efficiency projects.
Operating Expenses Cash	Record payments to contractors from the escrow funds.
Capital Assets Operating Expenses	Reclassify expenses that meet capitalization threshold.
Operating Expense - Interest Expense Installment Purchase Obligations Cash	Payment on installment purchase obligation
Cash Nonoperating Revenue – Investment Income	Record investment earnings on escrow funds
Capital Assets (for capitalizable equipment) Operating Expenses (for noncapitalizable equipment) Accounts Payable	Agency identifies payable vouchers at June 30.

Comptroller's Directive 3-07
Attachment 9
Enterprise Fund Financial Statement Template

GASBS No. 42
Requirement

GASBS No. 42 provides reporting guidance for the impairment of capital assets and **all** insurance recoveries.

Overview of
Requirements

Financial Statement Template Reporting:

- **Recognize Impairment Loss: Capital assets permanently impaired during fiscal year 2007:** The capital asset must be written down by the impairment loss amount. Any insurance recoveries recognized during the year for the impaired capital asset must be netted with the impairment loss. On the financial statement template, these losses should be reported as operating expenses – other, special item, or extraordinary item. When converting to the government-wide Statement of Activities, the amount reported as operating expenses – other would be reported as program expenses.
- **Restate Beginning Net Assets: Capital assets permanently impaired in prior years and not written down:** Beginning net assets should be restated for capital assets as of year-end that were permanently impaired in prior years and had not been written down by the impairment loss amount.
- **Insurance Recoveries:** For any insurance recoveries that are for prior year capital asset impairments and / or all other reasons (i.e. theft, embezzlement of cash, etc.), report these recoveries on the financial statement template as nonoperating revenue – other or an extraordinary item. When converting to the government-wide Statement of Activities, the amounts reported as nonoperating revenue – other would be reported as program revenue.

Footnote Disclosures:

- **Impairment Losses:** The footnotes must include a general description, the amount and the financial statement template line item.
- **Idle Permanently and / or Temporarily Impaired Capital Assets:** The carrying amount of temporarily and / or permanently impaired capital assets that are idle as of year-end must be disclosed.
- **All Insurance Recoveries:** The footnotes must include the amount and financial statement template line item for **all** insurance recoveries (not just for impaired capital assets).

Other Considerations:

- For any capital assets that do not meet the impairment test, the remaining useful life and salvage value may need to be reevaluated and changed on a prospective basis.

Refer to **GASBS No. 42** for additional guidance. Also, see section titled Appendix 1: **GASBS No. 42** Example Entries in these instructions.

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Comptroller's Directive 3-07
Attachment 9
Enterprise Fund Financial Statement Template

Tab 3, Part 3.1 This part is to identify potential impairments as follows:

A) **Possible Impairment of Capital Assets:** As of June 30, 2007, did this fund have an event* or change in circumstances* that may indicate an impairment of a capital asset as described in **GASBS No. 42**? If yes, provide a description, month / year it took place, the possible impaired capital assets, and then go to B. If no, proceed to the next financial statement footnote tab.

***Note:** This must be a prominent event or circumstance that is conspicuous or known to the agency. It is expected to have been discussed by the board, management, or media. Common indicators of impairment include the following:

- Physical damage (i.e. fire, flood)
- Enactment or approval of laws / regulations or other changes in environmental factors
- Technological development or evidence of obsolescence
- Change in the manner or expected duration of a capital asset
- Construction stoppages (i.e. lack of funding)

B) **Impairment Test:** If yes to A, is the decline in service utility of the capital asset significant **and** unexpected? If yes, go to C. If no, proceed to the next financial statement footnote tab.

Note: If this test indicates an impairment has not occurred, the estimated useful life and salvage value may need to be reevaluated and changed. This should be accounted for on a prospective basis.

C) **Permanent Impairment:** If yes to A and B, is the impairment considered permanent? If yes, go to D. If no, go to 3.2.

Note: Generally, an impairment should be considered permanent; however, in some cases it may be considered temporary. If it is considered temporary, the capital asset should not be written down. See **GASBS No. 42** for additional guidance.

Continued on next page

Comptroller's Directive 3-07
Attachment 9
Enterprise Fund Financial Statement Template

Tab 3, Part 3.1,
continued

D) Financial Statement Template Reporting & Footnote Disclosure: If yes to A, B, and C, has the impairment loss and related insurance recoveries (if applicable) been properly reported on the FST in accordance with **GASBS No. 42**? If **no**, provide an explanation. If **yes**, provide the impairment loss, insurance recoveries, and FST line item this activity is reported on.

Note: For **impaired capital assets that will continue to be used by the agency**, the impairment loss that should be written off should be measured by one of the following methods: restoration cost approach, service units approach, or deflated depreciation replacement cost approach. For **impaired capital assets that will no longer be used by the agency or capital assets impaired from construction stoppage**, they should be reported at the lower of carrying value or fair value.

Loss on capital assets that became permanently impaired during fiscal year 2007 must be reported on the financial statement template as operating expenses – other, extraordinary item, or special items. If the impairment loss took place in prior years and not previously recognized, beginning net assets should be restated. Use professional judgment to determine the appropriate FST line item.

Also, per **GASBS No. 42** paragraph 21, if insurance recoveries are in the same year as the impairment loss, the impairment loss should be reported net of the associated insurance recovery. Also, per **GASBS No. 42** paragraph 17 - footnote 6, this guidance also applies to insured impairments that result in an accounting gain.

Tab 3, Part 3.2,
Idle Capital
Assets –
Temporarily or
Permanently
Impaired

Any permanently and / or temporarily impaired capital assets that are idle as of year-end must be disclosed. Provide the carrying amount of any permanently and / or temporarily impaired capital assets as of year-end.

Continued on next page

Comptroller's Directive 3-07
Attachment 9
Enterprise Fund Financial Statement Template

**Other
Insurance
Recoveries**

For any insurance recoveries that are not reported in Part 3.1 D, provide the amount, financial statement template line item, and a description on Tab 7 – **Miscellaneous**, Question 6.

Note: This includes current year insurance recoveries for capital assets impaired in prior years. It also includes all other insurance recoveries. (i.e. recoveries for embezzlement of cash, theft). Insurance recoveries should be reported on the financial statement template as nonoperating revenue – other or extraordinary item. On the conversion to the government-wide Statement of Activities, the nonoperating revenue – other should be reported as program revenues. Use professional judgment to determine the appropriate line item.

Continued on next page

Comptroller's Directive 3-07
Attachment 9
Enterprise Fund Financial Statement Template

Appendix 1: GASBS No. 42 – Example Entries

The examples below are from a building that was impaired because of a fire. The following examples do not include restoration or replacement costs which should be reported as a separate transaction from the impairment loss and associated insurance recovery.

	Impairment loss (prior year)	Impairment loss (current year)	Insurance Recovery (current year)	Net Gain/(Loss) on impairment (current year)
Example 1		(200,000)	150,000	(50,000)
Example 2		(200,000)	250,000	50,000
Example 3		(200,000)	0	(200,000)
Example 4	(200,000)	0	150,000	(200,000)

Below are example FST entries for the current year from the above examples

Example 1:

Cash	150,000	
Extraordinary item (net loss) (see Note A)	50,000	
Accumulated depreciation-buildings		200,000

Example 2:

Cash	250,000	
Extraordinary item (net gain) (see Note B)		50,000
Accumulated depreciation-buildings		200,000

Example 3:

Extraordinary item (see Note A)	200,000	
Accumulated depreciation-buildings		200,000

Example 4:

Beginning Net Assets	200,000	
Cash	150,000	
Accumulated depreciation-buildings		200,000
Extraordinary item (Note C)		150,000

Note: For example 4, since the insurance recovery was not recognized in the same year as the impairment loss, the insurance recovery is not netted with the impairment loss for the current year. **These insurance recoveries are not reported on Tab 3 - Capital Assets; they should be reported on the Tab 7- Miscellaneous, Question 6.**

Continued on next page

Comptroller's Directive 3-07
Attachment 9
Enterprise Fund Financial Statement Template

Appendix 1: GASBS No. 42 – Example Entries, continued

Note A: Depending on the circumstances of the impairment, the other FST line items that this loss could be reported on are as follows:

- Operating Expenses - Other
- Special Item

Note B: Depending on the circumstances of the impairment, the other FST line items that this gain could be reported on are as follows:

- Nonoperating Revenues - Other
- Special Item

Note C: Depending on the circumstances of the impairment, the other FST line item that this insurance recovery could be reported on are as follows:

- Nonoperating Revenues - Other

As a reminder, per **GASBS No. 34** the definitions of extraordinary item and special items are as follows.

- Extraordinary item: Transactions or events that are **both** unusual in nature and infrequent in occurrence.
- Special item: Transactions or other events **within the control of management** that are either unusual in nature **or** infrequent in occurrence.

Continued on next page

Comptroller's Directive 3-07
Attachment 9
Enterprise Fund Financial Statement Template

Appendix 1: GASBS No. 42 – Example Entries, continued

The following provides guidance on how to report the example entries on the TAB 3:

Example 1: Record on TAB 3 Part 3.1 D as follows:

Financial Statement Template line item:	Impairment loss \$ (before net with insurance recovery)	Insurance Recovery \$ included in the net impairment loss/gain calculation (see Note a)
Operating Expenses – Other		
Special Item		
Extraordinary Item	200,000	150,000
Nonoperating Revenue – Other (see Note b)		
Net Assets, beginning (see Note c)		

Example 2: Record on TAB 3 Part 3.1 D as follows:

Financial Statement Template line item:	Impairment loss \$ (before net with insurance recovery)	Insurance Recovery \$ included in the net impairment loss/gain calculation (see Note a)
Operating Expenses – Other		
Special Item		
Extraordinary Item	200,000	250,000
Nonoperating Revenue – Other (see Note b)		
Net Assets, beginning (see Note c)		

Example 3: Record on TAB 3 Part 3.1D as follows:

Financial Statement Template line item:	Impairment loss \$ (before net with insurance recovery)	Insurance Recovery \$ included in the net impairment loss/gain calculation (see Note a)
Operating Expenses – Other		
Special Item		
Extraordinary Item	200,000	
Nonoperating Revenue – Other (see Note b)		
Net Assets, beginning (see Note c)		

Continued on next page

Comptroller's Directive 3-07
Attachment 9
Enterprise Fund Financial Statement Template

Appendix 1: GASBS No. 42 – Example Entries, continued

Example 4: Record on TAB 3 Part 3.1 D as follows:

Financial Statement Template line item:	Impairment loss \$ (before net with insurance recovery)	Insurance Recovery \$ included in the net impairment loss/gain calculation (see Note a)
Operating Expenses – Other		
Special Item		
Extraordinary Item		
Nonoperating Revenue – Other (see Note b)		
Net Assets, beginning (see Note c)	200,000	

Since the insurance recovery is not netted with the impairment loss, record on **Tab 7 - Miscellaneous**, Question 6 as follows:

Yes	6	Are insurance recoveries reported on the financial statement template that are not already reported on TAB 3, Capital Assets, Part 3.1D?
Financial Statement Template line items:		\$ Amount
Nonoperating Revenue - Other		
Extraordinary Items		150,000

Comptroller's Directive No. 3-07
Attachment 10
Internal Service Fund Financial Statement Template

Purpose

This attachment is used to obtain the financial statement and footnote information for internal service funds. This attachment is similar to prior year's Attachment 10.

Applicable agencies

The following internal service funds have been identified for fiscal 2007.

Department of General Services:

- Fleet Management
- Property Management (Real Estate Services, Maintenance & Repair)
- General Services (Virginia Distribution Center, Consolidated Laboratory Water Testing, Graphic Communications, Federal Surplus Property, State Surplus Property, Engineering Services)

Note: DGS will be provided with a combining financial statement template file for the Property Management Fund and the General Services Fund.

Department of Human Resources Management:

- Workers' Compensation
- Health Insurance Fund

Department of Treasury:

- Risk Management

Virginia Correctional Enterprises

Virginia Information Technologies Agency:

- All internal service funds

Due date

August 16, 2007

Continued on next page

Comptroller's Directive No. 3-07
Attachment 10
Internal Service Fund Financial Statement Template

**Submission
requirements**

Contact DOA if the agency has any problems with the files.

After downloading the file, rename the spreadsheet file using the agency number followed by the internal service acronym followed by Att10. For example, the Department of General Service's (agency 194) Fleet Management fund, should rename its Attachment 10.xls file as DGS-Fleet Management-Att10.xls.

Submit the Excel spreadsheet electronically to finrept-agvatt@doa.virginia.gov.

Copy APA via e-mail to APAFinRept@apa.virginia.gov.

Do not submit paper copies of the Excel attachment.

**Attachment
revisions**

If attachment revisions are made subsequent to DOA acknowledgement of receipt and acceptance of the original attachment submission, **resubmit the revised attachment AND complete the [Revision Control Log](#) tab in the attachment excel file.**

Enter the revision date, applicable excel file tab name, row number and column letter revised, and the previous and revised information. Document text changes and numerical changes. **Only enter changes for amounts actually keyed.** For example, if a non-keyed, calculated total changes as a result of the revision, this does not need to be documented on the Revision Control Log.

If the attachment is revised more than once, do not delete control log revision information from the previous revision. Enter the new revision date and the additional revisions in the rows following the initial revision rows. This log should document all revisions from the initial attachment submission.

Each time a revision is submitted the [Certification](#) tab should be updated with new signatures and dates.

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Comptroller's Directive No. 3-07
Attachment 10
Internal Service Fund Financial Statement Template

**General
information**

1. The templates include numerous features, including automated comments and validation messages, to assist in the preparation and review of financial data.
2. Refer to [Attachment 22, Cash, Cash Equivalents, and Investments at June 30](#) and [GASBS No. 40](#) for guidance on completing the cash, cash equivalent, and investment footnotes (tabs 1A, 1B, & 1C).
3. Due from Other State Agencies must agree to "Part 1 - Internal" worksheet at [Attachment 18 - Internal Service Funds - Conversion to Government-wide Statement of Activities](#). All other receivables from component units, higher education agencies, or other agencies not listed on that worksheet may be recorded as Accounts Receivable.
4. Ensure that all footnote tabs applicable to the data entered on the statements are completed. All funds must complete [Tab 6 – Commitments](#), [Tab 7 – Miscellaneous](#), and [Tab 13 – Cash Flow Analysis](#). All Internal Service Fund agencies must also complete [Attachment 18, Internal Service Fund – Conversion to Governmental-wide Statement of Activities](#).
5. [For guidance related to Tab 3 – Capital Assets](#), parts 3.1 to 3.2 refer to the instructions on the following pages and [GASBS No. 42](#).
6. Refer to instructions on the following pages for proper recordation of activities related to Energy Performance Contracts.
7. Refer to the [GASBS No. 33 – Nonexchange Transactions Overview](#), [GASBS No. 34 – Financial Reporting Model Overview](#), and [Additional Guidance for Preparation of GAAP Basis Fund Financial Statement Templates](#) sections of this Directive for additional preparation guidance.

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Comptroller's Directive No. 3-07
Attachment 10
Internal Service Fund Financial Statement Template

General information, continued

8. Each template will require a fluctuation analysis from prior year's template. The FY 2006 amounts will automatically populate when the internal service fund selects its fund from the drop-down list on the **Internal Service Template tab**. Each agency should review the Directive section entitled **Additional Guidelines for Preparation of GAAP Basis Fund Financial Statement Templates, Fluctuation Analysis Guidelines and Materiality Scopes** to determine the dollar and percentage variances that require explanation.
9. Provide explanations for fluctuation analysis in a Microsoft Word document and submit with the template. In your explanations quantify the underlying reasons (i.e. management decision, trend, event) for the change, don't just state the item increased or that the item increased because another item decreased.
10. The **Certification** tab is new for FY 2007, and it requires all preparers and reviewers to type their name on this form. Please note that there should be a segregation of duties; therefore, the preparer and the reviewer should not be the same individual for any tab. By typing a name, the individual is certifying that all tabs of this attachment have been reviewed, the information is both complete and accurate, and the preparer and reviewer were not the same individual for any tab.

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Comptroller's Directive No. 3-07
Attachment 10
Internal Service Fund Financial Statement Template

**Energy
Performance
Contracts**

The Treasury Board administers the lease financing program for energy efficiency projects. These projects are intended to reduce energy consumption and demand or allow for the use of an alternative energy source. In some cases these projects are funded through escrow financing. A bank account is established for the agency to purchase equipment or pay for other project expenses over a certain period of time. This type of funding should be reported as installment purchase obligations. Below are example entries of how to record activity related to the escrow funding of these projects. (**Note:** In some cases the specific financial statement template (FST) line item is not provided. Use professional judgment to determine the appropriate FST line item.)

Cash Installment Purchase Obligations	Record escrow funds to be used by the agency for the energy efficiency projects.
Operating Expenses Cash	Record payments to contractors from the escrow funds.
Capital Assets Operating Expenses	Reclassify expenses that meet capitalization threshold.
Operating Expense - Interest Expense Installment Purchase Obligations Cash	Payment on installment purchase obligation
Cash Nonoperating Revenue – Investment Income	Record investment earnings on escrow funds
Capital Assets (for capitalizable equipment) Operating Expenses (for noncapitalizable equipment) Accounts Payable	Agency identifies payable vouchers at June 30.

Continued on next page

Comptroller's Directive No. 3-07
Attachment 10
Internal Service Fund Financial Statement Template

GASBS No. 42
Requirement

GASBS No. 42 provides reporting guidance for the impairment of capital assets and **all** insurance recoveries.

Overview of
Requirements

Financial Statement Template Reporting:

- **Recognize Impairment Loss: Capital assets permanently impaired during fiscal year 2007:** The capital asset must be written down by the impairment loss amount. Any insurance recoveries recognized during the year for the impaired capital asset must be netted with the impairment loss. On the financial statement template, these losses should be reported as operating expenses - other, special item, or extraordinary item.
- **Restate Beginning Net Assets: Capital assets permanently impaired in prior years and not written down:** Beginning net assets should be restated for capital assets as of year-end that were permanently impaired in prior years and had not been written down by the impairment loss amount.
- **Insurance Recoveries:** For any insurance recoveries that are for prior year capital asset impairments and / or all other reasons (i.e. theft, embezzlement of cash, etc.), report these recoveries on the financial statement template as nonoperating revenue - other or an extraordinary item.

Footnote Disclosures:

- **Impairment Losses:** The footnotes must include a general description, the amount and the financial statement template line item.
- **Idle Permanently and / or Temporarily Impaired Capital Assets:** The carrying amount of temporarily and / or permanently impaired capital assets that are idle as of year-end must be disclosed.
- **All Insurance Recoveries:** The footnotes must include the amount and financial statement template line item for **all** insurance recoveries (not just for impaired capital assets).

Other Considerations:

- For any capital assets that do not meet the impairment test, the remaining useful life and salvage value may need to be reevaluated and changed on a prospective basis.

Note: Refer to **GASBS No. 42** for additional guidance.

Continued on next page

Comptroller's Directive No. 3-07
Attachment 10
Internal Service Fund Financial Statement Template

Tab 3, Part 3.1 This part is to identify potential impairments as follows:

A) **Possible Impairment of Capital Assets:** As of June 30, 2007, did this fund have an event* or change in circumstances* that may indicate an impairment of a capital asset as described in **GASBS No. 42**? If yes, provide a description, month / year it took place, the possible impaired capital assets, and then go to B. If no, proceed to the next financial statement footnote tab.

***Note:** This must be a prominent event or circumstance that is conspicuous or known to the agency. It is expected to have been discussed by the board, management, or media. Common indicators of impairment include the following:

- Physical damage (i.e. fire, flood)
- Enactment or approval of laws / regulations or other changes in environmental factors
- Technological development or evidence of obsolescence
- Change in the manner or expected duration of a capital asset
- Construction stoppages (i.e. lack of funding)

B) **Impairment Test:** If yes to A, is the decline in service utility of the capital asset significant **and** unexpected? If yes, go to C. If no, proceed to the next financial statement footnote tab.

Note: If this test indicates an impairment has not occurred, the estimated useful life and salvage value may need to be reevaluated and changed. This should be accounted for on a prospective basis.

C) **Permanent Impairment:** If yes to A and B, is the impairment considered permanent? If yes, go to D. If no, go to 3.2.

Note: Generally, an impairment should be considered permanent; however, in some cases it may be considered temporary. If it is considered temporary, the capital asset should not be written down. See **GASBS No. 42** for additional guidance.

Continued on next page

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Attachment 10
Internal Service Fund Financial Statement Template

Tab 3, Part 3.1 (Continued)

D) Financial Statement Template Reporting & Footnote Disclosure: If yes to A, B, and C, have the impairment loss and related insurance recoveries (if applicable) been properly reported on the financial statement template (FST) in accordance with **GASBS No. 42**? If **no**, provide an explanation and go to Part 3.2. If **yes**, provide the impairment loss and insurance recovery by FST line item on which this activity is reported.

Note: For **impaired capital assets that will continue to be used by the agency**, the impairment loss that should be written off should be measured by one of the following methods: restoration cost approach, service units approach, or deflated depreciation replacement cost approach. For **impaired capital assets that will no longer be used by the agency or capital assets impaired from construction stoppage**, they should be reported at the lower of carrying value or fair value.

Loss on capital assets that became permanently impaired during fiscal year 2007 must be reported on the financial statement template as operating expenses - other, extraordinary item, or special item. If the impairment loss took place in prior years and was not previously recognized, beginning net assets should be restated. Use professional judgment to determine the appropriate FST line item.

Also, Per **GASBS No. 42** paragraph 21, if insurance recoveries are in the same year as the impairment loss, the impairment loss should be reported net of the associated insurance recovery. Also, per **GASBS No. 42** paragraph 17 - footnote 6, this guidance also applies to insured impairments that result in an accounting gain.

**Tab 3, Part
3.2, Idle
Capital Assets
– Temporarily
or
Permanently
Impaired**

Any permanently and / or temporarily impaired capital assets that are idle as of year-end must be disclosed. Provide the carrying amount of any permanently and / or temporarily impaired capital assets as of year-end.

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Comptroller's Directive No. 3-07
Attachment 10
Internal Service Fund Financial Statement Template

**Other
Insurance
Recoveries**

For any insurance recoveries that are not reported in Part 3.1 D, provide the amount, financial statement template line item, and a description on **Tab 7 – Miscellaneous**, Question 5.

Note: This includes current year insurance recoveries for capital assets impaired in prior years. It also includes all other insurance recoveries. (i.e. recoveries for embezzlement of cash, theft). Insurance recoveries should be reported on the financial statement template as nonoperating revenue – other or extraordinary item. On the conversion to the government-wide Statement of Activities, the nonoperating revenue – other should be reported as program revenues. Use professional judgment to determine the appropriate FST line item.

Continued on next page

Comptroller's Directive No. 3-07
Attachment 10
Internal Service Fund Financial Statement Template

Appendix 1: GASBS No. 42 – Example Entries

The examples below are from a building that was impaired because of a fire. The following examples do not include restoration or replacement costs which should be reported as a separate transaction from the impairment loss and associated insurance recovery.

	Impairment loss (prior year)	Impairment loss (current year)	Insurance Recovery (current year)	Net Gain/(Loss) on impairment (current year)
Example 1		(200,000)	150,000	(50,000)
Example 2		(200,000)	250,000	50,000
Example 3		(200,000)	0	(200,000)
Example 4	(200,000)	0	150,000	(200,000)

Below are example FST entries for the current year based on the examples above.

Example 1:

Cash	150,000	
Extraordinary item (net loss) (see Note A)	50,000	
Accumulated depreciation-buildings		200,000

Example 2:

Cash	250,000	
Extraordinary item (net gain) (see Note B)		50,000
Accumulated depreciation-buildings		200,000

Example 3:

Extraordinary item (see Note A)	200,000	
Accumulated depreciation-buildings		200,000

Example 4:

Beginning Net Assets	200,000	
Cash	150,000	
Accumulated depreciation-buildings		200,000
Extraordinary item (see Note C)		150,000

Note: For example 4, since the insurance recovery was not recognized in the same year as the impairment loss, the insurance recovery is not netted with the impairment loss for the current year. **These insurance recoveries are not reported on Tab 3 - Capital Assets; they should be reported on the Tab 7 - Miscellaneous, Question 5.**

Continued on next page

Comptroller's Directive No. 3-07
Attachment 10
Internal Service Fund Financial Statement Template

Appendix 1: GASBS No. 42 – Example Entries, continued

Note A: Depending on the circumstances of the impairment, the other FST line items that this loss could be reported on are as follows:

- Operating Expenses--Other
- Special Item

Note B: Depending on the circumstances of the impairment, the other FST line items that this gain could be reported on are as follows:

- Nonoperating Revenue--Other
- Special Item

Note C: Depending on the circumstances of the impairment, the other FST line item that this insurance recovery could be reported on is as follows:

- Nonoperating Revenue - Other

As a reminder, per **GASBS No. 34** the definitions of extraordinary items and special items are as follows.

- Extraordinary item: Transactions or events that are **both** unusual in nature and infrequent in occurrence.
- Special item: Transactions or other events **within the control of management** that are either unusual in nature **or** infrequent in occurrence.

Continued on next page

Comptroller's Directive No. 3-07
Attachment 10
Internal Service Fund Financial Statement Template

Appendix 1: GASBS No. 42 – Example Entries, continued

The following provides guidance on how to report the example entries on TAB 3:

Example 1:

Record on TAB 3 Part 3.1 D as follows:

Financial Statement Template line item:	Impairment loss \$	Insurance Recovery \$ included in the net impairment loss/gain calculation (see Note a)
Operating Expenses-Other		
Special Item		
Extraordinary Item	200,000	150,000
Nonoperating Revenue - Other (see Note b)		
Net Assets, beginning (see Note c)		

Example 2:

Record on TAB 3 Part 3.1 D as follows:

Financial Statement Template line item:	Impairment loss \$	Insurance Recovery \$ included in the net impairment loss/gain calculation (see Note a)
Operating Expenses-Other		
Special Item		
Extraordinary Item	200,000	250,000
Nonoperating Revenue - Other (see Note b)		
Net Assets, beginning (see Note c)		

Example 3:

Record on TAB 3 Part 3.1D as follows:

Financial Statement Template line item:	Impairment loss \$	Insurance Recovery \$ included in the net impairment loss/gain calculation (see Note a)
Operating Expenses-Other		
Special Item		
Extraordinary Item	200,000	
Nonoperating Revenue - Other (see Note b)		
Net Assets, beginning (see Note c)		

Continued on next page

Comptroller's Directive No. 3-07
Attachment 10
Internal Service Fund Financial Statement Template

Appendix 1: GASBS No. 42 – Example Entries, continued

Example 4:

Record on TAB 3 Part 3.1 D as follows:

Financial Statement Template line item:	Impairment loss \$	Insurance Recovery \$ included in the net impairment loss/gain calculation (see Note a)
Operating Expenses-Other		
Special Item		
Extraordinary Item		
Nonoperating Revenue - Other (see Note b)		
Net Assets, beginning (see Note c)	200,000	

Since the insurance recovery is not netted with the impairment loss, record on **Tab 7 - Miscellaneous, Question 5** as follows:

Yes	5	Are insurance recoveries reported on the financial statement template that are not already reported on TAB 3, Capital Assets, Part 3.1D?
Financial Statement Template line items:		\$ Amount
Nonoperating Revenue - Other		
Extraordinary Items		150,000

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Comptroller's Directive No. 3-07
Attachment 11
Private-purpose Trust Fund Financial Statement Template

Purpose	This attachment is used to obtain the financial statement and footnote information for private-purpose funds. This attachment is similar to prior year's Attachment 11.
Applicable agencies	This attachment is applicable to all agencies with private-purpose funds specified on pages 11-13 in the Preparation of GAAP Basis Financial Statement Templates (Attachments 8-12) section of this Directive.
Due date	August 16, 2007
Certification	The Certification tab is new for FY 2007, and it requires all preparers and reviewers to type their name on this form. Please note that there should be a segregation of duties; therefore, the preparer and the reviewer should not be the same individual for any tab. By typing a name, the individual is certifying that all tabs of this attachment have been reviewed, the information is both complete and accurate, and the preparer and reviewer were not the same individual for any tab.
Submission requirements	<p>Contact DOA if the agency has any problems with the files.</p> <p>A separate template must be completed for each Private-purpose fund specified in the Directive. <u>After downloading the files, rename the spreadsheet file using the agency number followed by Att11-Fund Number.</u> For example, if agency 151 has two private-purpose funds, two attachments will be submitted. The attachments will be renamed as 151Att11-PP1.xls and ,151Att11-PP2.xls.</p> <p>Submit the Excel spreadsheet electronically to finrept-agyatt@doa.virginia.gov.</p> <p>Copy APA via e-mail to APAFinRept@apa.virginia.gov.</p> <p>Do <u>not</u> submit paper copies of the Excel attachment.</p>

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Comptroller's Directive No. 3-07
Attachment 11
Private-purpose Trust Fund Financial Statement Template

**Attachment
revisions**

If attachment revisions are made subsequent to DOA acknowledgement of receipt and acceptance of the original attachment submission, **resubmit the revised attachment AND complete the Revision Control Log tab in the attachment excel file.**

Enter the revision date, applicable excel file tab name, row number and column letter revised, and the previous and revised information. Document text changes and numerical changes. Only enter changes for amounts actually keyed. For example, if a non-keyed, calculated total changes as a result of the revision, this does not need to be documented on the Revision Control Log.

If the attachment is revised more than once, do not delete control log revision information from the previous revision. Enter the new revision date and the additional revisions in the rows following the initial revision rows. This log should document all revisions from the initial attachment submission.

Each time a revision is submitted the **Certification** tab should be updated with new signatures and dates.

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Comptroller's Directive No. 3-07
Attachment 11
Private-purpose Trust Fund Financial Statement Template

**General
information**

1. The templates include numerous features, including automated comments and validation messages, to assist in the preparation and review of financial data.
 2. Refer to **Attachment 22, Cash, Cash Equivalents, and Investments at June 30** and **GASBS No. 40** for guidance on completing the cash, cash equivalent, and investment footnotes (tabs 1A, 1B, & 1C).
 3. Ensure that all footnote tabs applicable to the data entered on the statements are completed. All funds must complete **Tab 3 – Miscellaneous**.
 4. Refer to the **GASBS No. 33 – Nonexchange Transactions Overview**, **GASBS No. 34 – Financial Reporting Model Overview**, and **Additional Guidance for Preparation of GAAP Basis Fund Financial Statement Templates** sections of this Directive for additional preparation guidance.
 5. Each template requires completion of a fluctuation analysis of prior year and current year balances. The prior year amounts on **Tab 5 – Fluctuation Analysis** will automatically populate based on the fund name selected on the template. Each agency should review the Directive section entitled **Additional Guidelines for Preparation of GAAP Basis Fund Financial Statement Templates, Fluctuation Analysis Guidelines and Materiality Scopes** to determine the dollar and percentage variance that requires an explanation.
 6. Provide explanations for the fluctuation analysis in a Microsoft Word document and submit with the template. In your explanations quantify the underlying reasons (i.e., management decision, trend, event) for the change, don't just state the item increased or that the item increased because another item decreased.
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Comptroller's Directive No. 3-07
Attachment 12
Agency Fund Financial Statement Template

Purpose This attachment is used to obtain the financial statement and footnote information for agency funds. This attachment is similar to prior year's Attachment 12.

Applicable agencies This attachment is applicable to all agencies with agency funds specified on pages 11-13 in the **Preparation of GAAP Basis Financial Statement Templates (Attachments 8-12)** section of this Directive.

Due date **August 16, 2007**

Submission requirements Contact DOA if the agency has any problems with the files.

A separate template must be completed for each agency fund specified in the Directive. After downloading the files, rename the spreadsheet file using the agency number followed by Att12-Fund Number. For example, if agency 151 has three agency funds, three attachments will be submitted. The attachments will be renamed as 151Att12-AF1.xls, 151Att12-AF2.xls, and 151Att12-AF3.xls.

Note: Contact DOA if there are an insufficient number of rows on any tab.

Submit the Excel spreadsheet electronically to finrept-agyatt@doa.virginia.gov

Copy APA via e-mail to APAFinRept@apa.virginia.gov.

Do **not** submit paper copies of the Excel attachment.

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Comptroller's Directive No. 3-07
Attachment 12
Agency Fund Financial Statement Template

**Attachment
revisions**

If attachment revisions are made subsequent to DOA acknowledgement of receipt and acceptance of the original attachment submission, **resubmit the revised attachment AND complete the Revision Control Log tab in the attachment excel file.**

Enter the revision date, applicable excel file tab name, row number and column letter revised, and the previous and revised information. Document text changes and numerical changes. Only enter changes for amounts actually keyed. For example, if a non-keyed, calculated total changes as a result of the revision, this does not need to be documented on the Revision Control Log.

If the attachment is revised more than once, do not delete control log revision information from the previous revision. Enter the new revision date and the additional revisions in the rows following the initial revision rows. This log should document all revisions from the initial attachment submission.

Each time a revision is submitted the **Certification** tab should be updated with new signatures and dates.

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Comptroller's Directive No. 3-07
Attachment 12
Agency Fund Financial Statement Template

**General
information**

1. The templates include numerous features, including automated comments and validation messages, to assist in the preparation and review of financial data. Prior year ending balances will also automatically populate based on the agency fund selected from the drop-down list.
 2. [**GASBS No. 40 – Deposits and Investment Risk Disclosure**](#), refer to [**Attachment 22, Cash, Cash Equivalents, and Investments at June 30**](#) for guidance on completing tabs 1A, 1B, and 1C.
 3. Ensure that all spreadsheet tabs applicable to the data entered on the template are completed.
 4. Refer to the [**GASBS No. 33 – Nonexchange Transactions Overview**](#), [**GASBS No. 34 – Financial Reporting Model Overview**](#), and [**Additional Guidance for Preparation of GAAP Basis Fund Financial Statement Templates**](#) sections of this Directive for additional preparation guidance.
 5. The **Certification** tab is new for FY 2007, and it requires all preparers and reviewers to type their name on this form. Please note that there should be a segregation of duties; therefore, the preparer and the reviewer should not be the same individual for any tab. By typing a name, the individual is certifying that all tabs of this attachment have been reviewed, the information is both complete and accurate, and the preparer and reviewer were not the same individual for any tab.
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Comptroller's Directive No. 3-07
Attachment 13
Capital Asset Accounting and Control System (FAACS) Analysis

Purpose

To obtain information on capital assets recorded in fund 1500 on FAACS and CARS as follows:

- Provide a fluctuation analysis for each general ledger account recorded in Fund 1500. This analysis includes acquisition and disposal amounts and CIP reclassifications. (Part 1)
- Information regarding disposal of capital assets including whether any capital assets were traded in on new capital assets and revenue source codes used in CARS to record the proceeds from the sale / disposal of capital assets. (Part 2)
- Comparison between expenditure amounts recorded in CARS for program 998, Capital Outlay Projects, and the current year acquisitions recorded in FAACS for Construction in Progress (CIP). (Part 3)
- Detail of CIP additions. (Part 4)
- Detail of CIP deductions and the corresponding increases to other asset categories that resulted from CIP deductions. (Part 5)
- Certification regarding inventory of capital assets. (Part 6)

This attachment is similar to prior year's Attachment 13.

Applicable agencies

Agencies that account for capital assets in Fund 1500 on FAACS and CARS.

Exemptions: The following agencies provide financial statement template or supplemental information and do not need to submit this attachment.

- Virginia Correctional Enterprises
 - Department of Mines, Minerals and Energy
 - Department of Environmental Quality
 - Department of Medical Assistance Services
 - Virginia Employment Commission
 - Department of Transportation
 - Virginia Information Technologies Agency
 - Woodrow Wilson Rehabilitation Center
-

Due date

August 16, 2007

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Comptroller's Directive No. 3-07
Attachment 13
Capital Asset Accounting and Control System (FAACS) Analysis

Certification

The **Certification** tab is new for FY 2007, and it requires all preparers and reviewers to type their name on this form. Please note that there should be a segregation of duties; therefore, the preparer and the reviewer should not be the same individual for any tab. By typing a name, the individual is certifying that all tabs of this attachment have been reviewed, the information is both complete and accurate, and the preparer and reviewer were not the same individual for any tab.

Questions?

Please direct all questions regarding this attachment to:

Andrew Short
Financial Reporting Analyst,
Financial Reporting

Phone: (804) 225-2002
E-mail:
andrew.short@doa.virginia.gov

Bobby Eddleton
Assistant Director
Financial Reporting

Phone: (804) 225-2257
Email:
bobby.eddleton@doa.virginia.gov

**Submission
requirements**

Contact DOA if the agency has any problems with the files.

After downloading the files, rename the spreadsheet file using the agency number followed by Att13. For example, agency 151 should rename its Attachment 13.xls file as 151Att13.xls.

Submit the Excel spreadsheet electronically to
finrept-agyatt@doa.virginia.gov.

Copy APA via e-mail to APAFinRept@apa.virginia.gov.

Do not submit paper copies of the Excel attachment.

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Comptroller's Directive No. 3-07
Attachment 13
Capital Asset Accounting and Control System (FAACS) Analysis

**Attachment
revisions**

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Enter the revision date, applicable excel file tab name, row number and column letter revised, and the previous and revised information. Document text changes and numerical changes. Only enter changes for amounts actually keyed. For example, if a non-keyed, calculated total changes as a result of the revision, this does not need to be documented on the Revision Control Log.

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Comptroller's Directive No. 3-07
Attachment 13
Capital Asset Accounting and Control System (FAACS) Analysis

Materiality

Explain variances that are greater than or equal to 10% of the difference between the fiscal year 2006 and fiscal year 2007 GLA amounts **AND** \$1,000,000.

Only include CIP with a materiality threshold > \$100,000. For CIP use the projected costs for the project, not expenditures to date.

**Completing
Part 1**

Part 1 contains the format for the fluctuation analysis. Information should be obtained from the FAC 736 / 767 reports.

Note: Round all amounts to the nearest dollar.

Step	Action
1	<p>Each agency should click on the down arrow in the “Control Agency” column. Scroll to the appropriate agency and click on it. Most agencies and control agencies are the same; however, there are some agencies (e.g. Mental Health, Corrections) that control numerous agencies.</p> <p>Performing this step will allow only the applicable agency or agencies to display. All other agencies will be hidden by Excel.</p>
2	<p>In the “Beginning Balance” column, record the amount on the FAC 736 / 767 reports as of July 1, 2006 for each category (i.e., Land, Buildings, Infrastructure, Equipment, Construction in Progress, and Accumulated Depreciation for Buildings, Infrastructure and Equipment). If more detail information is needed for Construction in Progress, the agency can use the FAC 751 report.</p>
3	<p>Record acquisitions of capital assets. Exclude the amount of Construction in Progress (CIP) that would be an addition to another asset category and a deduction from CIP. This activity will be reported in Step 5.</p> <p><u>Note:</u> The project number, description and amount of additions to CIP should be documented on the CIP Analysis tab – Part 4.</p>

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Comptroller's Directive No. 3-07
Attachment 13
Capital Asset Accounting and Control System (FAACS) Analysis

Completing Part 1, continued

Step	Action
4	Record the deductions of capital assets. These amounts should be recorded as negative. Exclude the amount of Construction in Progress (CIP) that would be an addition to another asset category and a deduction from CIP. This amount will be reported in Step 5.
5	<p>Record the amount that represents CIP completed and added to another category.</p> <p>Note: Provide the FAACS ID number, tag numbers and descriptions of additions to capital assets (buildings / infrastructure) that are a result of decreases to CIP in the CIP Analysis tab – Part 5. If more detail information is needed for Construction in Progress, the agency can use the FAC 751 report.</p>
6	This column has formulas. Agree amounts to the FAC 736 / 767 reports as of June 30, 2007, for fund 1500 by GLA. For amounts that do not agree, recheck amounts and formulas.
7 – 9	<p>Identify GLAs with material variances. Use the materiality level set in the materiality section on page 4 of these Instructions. Review changes for each asset category separately. Consider increases and decreases separately when analyzing the changes.</p> <p>To help, use the following guidelines:</p> <ul style="list-style-type: none">• <u>Land, Buildings, or Infrastructure (formerly Improvements)</u>: Identify the tract of land, building, or infrastructure for material changes.• <u>Construction in Progress (CIP)</u>: Identify the project code for material changes.• <u>Equipment</u>: Provide a general description of changes. <p>Record “No” for immaterial variances.</p>

Continued on next page

Comptroller's Directive No. 3-07
Attachment 13
Capital Asset Accounting and Control System (FAACS) Analysis

**Completing
Part 2**

This questionnaire is to analyze information for **GASBS No. 34** and to document that ending balances on the fluctuation analysis (part 1) agree to FAACS.

Step	Action
1	If ending balances on the fluctuation analysis (part 1, step 6) do not agree to the FAC 736 / 767 reports as of June 30, 2007, or the amounts are not correct, explain the differences.
2	Sale / Disposal of Capital Assets For the sale / disposal of capital assets, were there any sales / disposals of land and buildings with a historical cost > \$100,000 or equipment with a historical cost > \$50,000 for fiscal year 2007? If yes, provide asset and coding information required in the table provided.
3	Trade-ins State whether there were any disposals of capital assets during fiscal year ended June 30, 2007, that were for trade-ins on new capital assets. If there were, complete the table. On the left side state the asset that was traded-in (noting the proceeds received), and on the right state the corresponding asset that was purchased.

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Comptroller's Directive No. 3-07
Attachment 13
Capital Asset Accounting and Control System (FAACS) Analysis

**Completing
Part 3**

This questionnaire is to analyze the amounts reported for Construction in Progress (CIP) on a cash and full accrual basis. Steps 1 and 2 request CIP information on a cash basis and Step 3 requests CIP information on a full accrual basis.

Step	Action
1a	Cash Basis Additions – CIP <ul style="list-style-type: none">• Enter the amount recorded on CARS as expenditures for program code 998, Capital projects, for fiscal year ended June 30, 2007. This amount can be obtained from the CARS 1408A2 Report (Statement of Appropriations, Allotments, and Expenditures – Non Operating).• Enter the amount included in the expenditure total that represents maintenance reserve expenditures, if any, that will not be capitalized as CIP.• Enter the amount of expenditures, if any, recorded in a program other than 998 that should be recorded as CIP.
1b	<ul style="list-style-type: none">• Enter the amount of current year additions (included in part 1, step 3) recorded in FAACS for CIP.• Explain differences in these amounts.
2	Correcting Cash Basis CIP Beginning Balance, Additions, Deductions, and Ending Balances <p>If a difference was noted in Step 1 or the amounts recorded in FAACS for CIP are not correct enter the correct balances.</p> <ul style="list-style-type: none">• CIP Beginning Balance – this amount should include prior year expenditures that are recorded in FAACS in the current year.• CIP Additions – this amount should be based on current year expenditures that will eventually be reported as a capital asset.• CIP Deductions – this amount should relate to corresponding increases in another asset category.

Continued on next page

Comptroller's Directive No. 3-07
Attachment 13
Capital Asset Accounting and Control System (FAACS) Analysis

Completing Part 3, continued

	Accrual Basis Additions – CIP Expenditures that are recorded as P vouchers for CIP must be recorded as an asset (CIP) on the Government-wide financial statements. Therefore, please provided the following information:
3a	<ul style="list-style-type: none">• List any P vouchers for July and August for program 998 that will result in CIP. Provide the month, P voucher #, P Voucher total, and the amount that will be recorded as additions to CIP.
3b	<ul style="list-style-type: none">• List any P vouchers for July and August for other programs that will result in CIP. Provide the month, Program #, P voucher #, P Voucher total, and the amount that will be recorded as additions to CIP.
	<u>Note:</u> Neither of the amounts in 3a and / or 3b should be included in other amounts on this template or in FAAC's. If they are, contact DOA immediately.

Continued on next page

Comptroller's Directive No. 3-07
Attachment 13
Capital Asset Accounting and Control System (FAACS) Analysis

**Completing
Part 4**

This questionnaire is to report the details related to increases reported for Construction in Progress on a cash basis.

- The total increases reported in Part 4 should agree to the amount reported for CIP Additions in Part 3, Question 2.

Note: Provide the Project Number, FAACS ID number, Description, and the amount of the increase for each item.

**Completing
Part 5**

This questionnaire is to report the details related to decreases reported for Construction in Progress on a cash basis.

- The total decreases reported in Part 5 should agree to the amount reported for CIP Deductions in Part 3, Question 2.
- The total increases to Building and Infrastructure in Part 5 should agree to the amount reported in Part 1, Step 5 for Building and Infrastructure.

Note: Provide the Project Number, FAACS ID number, Description, and the amount of the decrease for each item.

**Completing
Part 6**

This questionnaire is to analyze inventory and fully depreciated assets.

Action
Answer the following questions.
a) Has the agency completed an inventory of capital assets in fiscal 2007? If no, then state the year the last inventory was completed.
b) When will the next inventory of capital assets be completed?
For certification purposes, type the name, title, phone number, and e-mail address of the agency representative who ensures such an inventory has been conducted.
Note: Agencies should review all assets in use to ensure that the current useful life is appropriate. Useful life adjustments should be made to reflect the actual agency usage of an asset. See CAPP Manual Section 30605 for guidance.
c) Provide a description of the useful life methodology that has been developed.

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Comptroller's Directive No. 3-07
Attachment 13A
Impairment of Capital Assets

Purpose

- The purpose of **GASBS No. 42** is to provide reporting guidance for the following: impairment of capital assets, and all insurance recoveries (not just recoveries for impaired capital assets). **GASBS No. 42** states that an impairment exists when the decline in service utility is significant and unexpected.
 - For Governmental-type activities, “significant” is defined as at least \$1,000,000 per occurrence for all capital asset impairments. This amount applies to the impairment only and not the carrying value of the asset.
 - Any agencies that may have a capital asset impairment should obtain and review **GASBS No. 42** for guidance. Additional guidance will be provided in the new CAPP Manual Section 30410.
-

Due date

August 16, 2007

Certification

The **Certification** tab is new for FY 2007, and it requires all preparers and reviewers to type their name on this form. Please note that there should be a segregation of duties; therefore, the preparer and the reviewer should not be the same individual for any tab. By typing a name, the individual is certifying that all tabs of this attachment have been reviewed, the information is both complete and accurate, and the preparer and reviewer were not the same individual for any tab.

Applicable agencies

Agencies that account for capital assets in Fund 1500 on FAACS and CARS.

Exemptions: The following agencies provide financial statement template or supplemental information and do not need to submit this attachment.

- **Virginia Correctional Enterprises**
 - **Department of Mines, Minerals and Energy**
 - **Department of Environmental Quality**
 - **Department of Medical Assistance Services**
 - **Virginia Employment Commission**
 - **Department of Transportation**
 - **Virginia Information Technologies Agency**
 - **Woodrow Wilson Rehabilitation Center**
-

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Comptroller's Directive No. 3-07
Attachment 13A
Impairment of Capital Assets

Questions

Please direct all questions regarding this attachment to:

Andrew Short	Phone: (804) 225-2002
Financial Reporting Analyst, Financial Reporting	E-mail: andrew.short@doa.virginia.gov

Bobby Eddleton	Phone: (804) 225-2257
Assistant Director Financial Reporting	Email: bobby.eddleton@doa.virginia.gov

**Submission
requirements**

Contact DOA if the agency has any problems with the files.

After downloading the files, rename the spreadsheet file using the agency number followed by Att13A. For example, agency 151 should rename its Attachment 13A.xls file as 151Att13A.xls.

Submit the Excel spreadsheet electronically to
finrept-agyatt@doa.virginia.gov.

Copy APA via e-mail to APAFinRept@apa.virginia.gov.

Do not submit paper copies of the Excel attachment.

**Attachment
revisions**

If attachment revisions are made subsequent to DOA acknowledgement of receipt and acceptance of the original attachment submission, **resubmit the revised attachment AND complete the Revision Control Log tab in the attachment excel file.**

Enter the revision date, applicable excel file tab name, row number and column letter revised, and the previous and revised information. Document text changes and numerical changes. Only enter changes for amounts actually keyed. For example, if a non-keyed, calculated total changes as a result of the revision, this does not need to be documented on the Revision Control Log.

If the attachment is revised more than once, do not delete control log revision information from the previous revision. Enter the new revision date and the additional revisions in the rows following the initial revision rows. This log should document all revisions from the initial attachment submission.

Each time a revision is submitted the **Certification** tab should be updated with new signatures and dates.

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Comptroller's Directive No. 3-07
Attachment 13A
Impairment of Capital Assets

**Overview of
requirements**

GASBS No. 42 requires that agencies:

- **Recognize Impairment Loss: Capital assets permanently impaired during fiscal year 2007:** The capital asset must be written down by the impairment loss amount. Any insurance recoveries recognized during the year for the impaired capital asset must be netted with the impairment loss. These losses should be reported as program expense-loss on sale / disposal / impairment of capital assets, special item, or as an extraordinary item.

See guidance in paragraphs 41 through 46, 55, 56, 101, and 102 of **GASBS No. 34** and paragraphs 19 through 24 of Accounting Principles Board Opinion No 30, *Reporting the Results of Operations—Reporting the Effects of Disposal on a Segment of a Business , and Extraordinary, Unusual and Infrequently Occurring Events and Transactions*.

- **Restate Beginning Net Assets:** Capital assets permanently impaired in prior years and not written down: Beginning net assets should be restated for capital assets as of year-end that were permanently impaired in prior years and had not been written down by the impairment loss amount.
- **Insurance Recoveries:** For any insurance recoveries that are for prior year capital asset impairments and / or all other reasons (i.e. theft, embezzlement of cash, etc.), report these recoveries as program revenue-operating grants & contributions, program revenue – capital grants & contributions, or as an extraordinary item. **Please see Attachment 17 for proper disclosure of insurance recoveries.**

Footnote Disclosures:

- **Impairment Losses:** The footnotes must include a general description, the amount and the financial statement line item.
- **Idle Permanently and / or Temporarily Impaired Capital Assets:** The carrying amount of temporarily and / or permanently impaired capital assets that are idle as of year-end must be disclosed.
- **All Insurance Recoveries:** Please see Attachment 17 for proper disclosure of insurance recoveries.

Continued on next page

Comptroller's Directive No. 3-07
Attachment 13A
Impairment of Capital Assets

Overview of requirements (Continued)

Other Considerations:

- For any capital assets that do not meet the impairment test, the remaining useful life and salvage value may need to be reevaluated and changed on a prospective basis.

Continued on next page

Comptroller's Directive No. 3-07
Attachment 13A
Impairment of Capital Assets

Instructions:
TAB 1-Survey

Part 1 is completed to identify potential capital asset impairments as follows:

A) **Possible Impairment of Capital Assets:** As of June 30, 2007, did the agency have an event* or change in circumstances* that may indicate an impairment of a capital asset as described in **GASBS No. 42**? If yes, provide a description, month / year it took place, the possible impaired capital assets, and then go to B. If no, go to **Part 3**.

***Note:** This must be a prominent event or circumstance that is conspicuous or known to the agency. It is expected to have been discussed by the management, or media. Common indicators of impairment include the following:

- Physical damage (i.e. fire, flood)
- Enactment or approval of laws / regulations or other changes in environmental factors
- Technological development or evidence of obsolescence
- Change in the manner or expected duration of a capital asset
- Construction stoppages (i.e. lack of funding)

B) **Impairment Test:** If yes to A, is the decline in service utility of the capital asset significant **and** unexpected? For Governmental-type activities, “significant” is defined as at least \$1,000,000 per occurrence for all capital asset impairments. This amount applies to the impairment only and not the carrying value of the asset. If yes, go to C. If no, go to **Part 3**.

Note: If this test indicates an impairment has not occurred, the estimated useful life and salvage value may need to be reevaluated and changed. This should be accounted for on a prospective basis.

C) **Permanent Impairment:** If yes to A and B, is the impairment considered permanent? If yes, complete **TAB 2-Permanently Impaired**. If no, go to **Part 2**.

Note: Generally, an impairment should be considered permanent; however, in some cases it may be considered temporary. If it is considered temporary, the capital asset should not be written down. See **GASBS No. 42** for guidance. Additional guidance will be provided in the new CAPP Manual Section 30410.

Continued on next page

Comptroller's Directive No. 3-07
Attachment 13A
Impairment of Capital Assets

Instructions: TAB 1-Survey (Continued)

**Part 2, Idle
Capital Assets –
Temporarily or
Permanently
Impaired**

Any permanently and / or temporarily impaired capital assets that are idle as of year-end must be disclosed. Does the agency have any temporarily impaired capital assets that are idle at year-end? If yes, complete **TAB 3-Temporarily Impaired**. Provide the carrying amount of any temporarily impaired capital assets that are idle as of year-end. If no, go to **Part 3**.

**Specific
Instructions:
TAB 2-
Permanently
Impaired**

Columns labeled #s **6c, 6d, 6f** and **6g**: **GASBS No. 42** provides 3 methods to determine the amount of impairment loss to be recognized for a capital asset that will continue to be used as follows:

- **Restoration Cost Approach**--generally used to measure impairment losses from physical damage such as from fire, wind, and the like.
- **Service Units Approach**--generally used to measure impairment losses from environmental factors, technological changes, obsolescence, or the change in the manner or duration of use.
- **Deflated Depreciated Replacement Cost Approach**, which can also be used to measure impairment losses resulting from a change in the manner or duration of use.

Ultimately, the specific method to be used should be the one that best reflects the service utility decline. The method used to measure impairment losses should be applied consistently to impairments with similar characteristics.

Continued on next page

Comptroller's Directive No. 3-07
Attachment 13A
Impairment of Capital Assets

Specific Instructions: TAB 2-Permanently Impaired (Continued)

Restoration Cost Approach

Under this approach, the write-down is based on the cost to restore the utility of the capital asset. The current restoration cost is then converted to a historical cost basis using an appropriate cost index or by applying a ratio of estimated restoration cost over estimated replacement cost to the carrying value of the capital asset. To determine the ratio of estimated restoration cost over estimated replacement cost follow these steps:

- Determine the restoration cost in current dollars. This amount should be based on the amount of the impairment caused by the change or event and should exclude costs related to demolition, cleanup, additions, and improvements.
- Determine the replacement cost in current dollars for the capital asset.
- Determine the carrying value of the impaired capital asset before adjustment (historical cost less accumulated depreciation).
- Determine the relationship between the restoration cost in current dollars and the replacement cost in current dollars for the capital asset. This should be expressed as a percentage (restoration cost/replacement cost).
- Determine the impairment loss by multiplying the carrying value of the asset by the restoration cost ratio computed in step 4.

Example of the Restoration Cost Approach

Assume that a building has a historical cost of \$1,000,000, with an estimated useful life of 25 years, and was 60% depreciated when it was discovered that walls were structurally deficient due to an earthquake. The estimated cost to restore the walls is \$200,000. The estimated current cost to replace the building is 1,500,000. The building is still going to be used. The computation of the write-down is as follows:

Continued on next page

Comptroller's Directive No. 3-07
Attachment 13A
Impairment of Capital Assets

Specific Instructions: TAB 2-Permanently Impaired (Continued)

Component of Restoration Cost Approach	Amount
Historical cost of building	\$1,000,000
Minus accumulated depreciation of the asset	\$(600,000)
Carrying value of impaired asset	\$400,000
Restoration cost (\$200,000)/replacement cost (\$1,500,000)	13.33%
Impairment loss = carrying value (\$400,000) multiplied by restoration cost ratio (13.33%)	\$53,320

Continued on next page

Comptroller's Directive No. 3-07
Attachment 13A
Impairment of Capital Assets

Specific Instructions: TAB 2-Permanently Impaired (Continued)

Service Units Approach

The write-down under the service units approach is based on the proportion of the capital asset, as expressed in service units that has been lost due to an event or change that created an impairment. The total service units can be based on either the maximum estimated service units or total estimated service units throughout the life of the capital asset. Service units can be measured in years of service, number of units produced, number of citizens benefited, etc.

Example of Service Units Approach

Assume that equipment has a historical cost of \$500,000, and originally had an estimated useful life of 30 years. After 3 years of use, new regulations are enacted that will make the equipment obsolete in 3 more years. The amount of service units lost, expressed in years, is 24. The amount of the impairment loss is \$400,000 ($\$500,000 \times (24/30)$).

Deflated Depreciated Replacement Cost Approach

This approach is based on determining the current cost of an asset needed for the current level of service. Based on the assumed carrying value of the theoretical asset, that carrying value is deflated to the historical cost basis for when the original asset was acquired.

Example of Deflated Depreciated Replacement Cost Approach

Assume a building has an original cost of \$4,000,000 and was 40% depreciated. The building was to be used originally as an airplane hangar, but management has decided that it will now be used as a storage facility. The cost of a comparable storage facility is \$500,000 and the replacement cost of the airplane hangar is \$5,000,000.

Component of Deflated Depreciated Replacement Cost Approach	Amount
Deflator (Original Cost/ Replacement) $\$4,000,000/\$5,000,000$.80
Assumed carrying amount of a new storage facility ($\$500,000 \times 60\%$)	\$300,000
Carrying amount of old building ($\$4,000,000 \times 60\%$)	\$2,400,000
Deflated assumed carrying amount of a new warehouse ($\$300,000 \times .80$)	\$240,000
Impairment loss ($\$2,400,000 - \$240,000$)	\$2,160,000

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Comptroller's Directive No. 3-07
Attachment 14
Federal Schedules

Purpose

This attachment is used to provide DOA with the Federal Schedules needed to prepare the statewide **Schedule of Expenditures of Federal Awards (SEFA)** for the Single Audit Report.

The Single Audit Report is required for compliance with the Single Audit Act Amendments of 1996 and OMB Circular A-133.

This attachment is similar to prior year Attachment 14.

Applicable agencies and requirements

All agencies must submit the Attachment file to DOA to certify **whether or not** the agency received or disbursed Federal funds in FY 2007. Each agency receiving or disbursing federal funds must report its DUNS number as well as its EIN number on the Attachment file. DUNS number information is available at www.smallbusiness.dnb.com. For question regarding DUNS numbers, contact Rob Meinhard at (804) 371-7807 or by e-mail at rob.meinhard@doa.virginia.gov.

If the agency received or disbursed Federal funds in FY 2007, the agency is **REQUIRED TO USE** the templates in the files listed below.

- Template – used to prepare the applicable federal schedules
- Footnotes – used to prepare the applicable federal footnotes
- Reconciliation – used to reconcile the Schedule of Expenditures of Federal Awards to CARS and, if applicable, the financial statement template.

Exception: Legislative branch agencies only need to complete the Attachment file certifying whether or not the agency received or disbursed Federal funds in FY 2007. No additional information is required.

Due date

August 16, 2007

Comptroller's Directive No. 3-07
Attachment 14
Federal Schedules

Certification

The **Certification** tab is new for FY 2007, and it requires all preparers and reviewers to type their name on this form. Please note that there should be a segregation of duties; therefore, the preparer and the reviewer should not be the same individual for any tab. By typing a name, the individual is certifying that all tabs of this attachment have been reviewed, the information is both complete and accurate, and the preparer and reviewer were not the same individual for any tab. When completing the certification tab within the Questionnaire attachment you are also certifying for federal schedules, templates, footnote, and reconciliation attachments.

**Submission
requirements/
templates**

Contact DOA if the agency has any problems with the files.

After downloading the files, rename the files using the agency number followed by the identifying file name. For example, agency 151 should rename the Attachment file, Template file, Footnote file, and Reconciliation file as follows:

Note: **DO NOT** rename the tab names in the excel files. Save the attachments with following document names prior to submission.

151Att14.xls (Questionnaire File)
151federal schedules.xls (Template File)
151footnote.xls (Footnote File)
151recon.xls (Reconciliation File)

DOA will not accept any Federal schedules that are not in the formats required by this Directive. Agencies that fail to use the required formats will be asked to resubmit the schedules to DOA and may cited for noncompliance in the Report on Statewide Financial Management and Compliance (Quarterly Report).

Submit the files electronically to finrept-agyatt@doa.virginia.gov.

Copy the APA via e-mail to: APAFinRept@apa.virginia.gov.

Do **not** submit paper copies of the attachment.

Comptroller's Directive No. 3-07

Attachment 14

Federal Schedules

Attachment revisions

If attachment revisions are made subsequent to DOA acknowledgement of receipt and acceptance of the original attachment submission, **resubmit the revised attachment AND complete the [Revision Control Log](#) tab in the attachment excel file.**

Enter the revision date, applicable excel file tab name, row number and column letter revised, and the previous and revised information. Document text changes and numerical changes. Only enter changes for amounts actually keyed. For example, if a non-keyed, calculated total changes as a result of the revision, this does not need to be documented on the Revision Control Log.

If the attachment is revised more than once, do not delete control log revision information from the previous revision. Enter the new revision date and the additional revisions in the rows following the initial revision rows. This log should document all revisions from the initial attachment submission.

Entities that believe revisions are necessary to the federal schedules after the initial submission to DOA must contact Penny Williams **BEFORE** sending the revisions to DOA. See the Questions section below for contact information.

Each time a revision is submitted the **[Certification](#)** tab should be updated with new signatures and dates.

Resolution of prior year findings

Agencies will be required to submit information regarding resolution of prior year audit comments to the Comptroller. Specific reporting requirements and due dates will be forthcoming. Direct questions to Rob Meinhard, State Accounts Receivable Coordinator, at (804) 371-7807 or e-mail at rob.meinhard@doa.virginia.gov.

Questions

If the agency has any further questions about preparing the Federal schedules, contact Penny Williams, Indirect Cost Coordinator, at (804) 225-3804 or e-mail at penny.williams@doa.virginia.gov.

Comptroller's Directive No. 3-07

Attachment 14

Federal Schedules

Federal schedules.xls template

The federal schedules.xls workbook includes six tabs with each tab representing a different federal schedule within the workbook. The tabs are located at the bottom of the screen. Clicking once on the desired tab will allow you to get to a specific federal schedule. An overview of the six tabs and what should be reported on each tab is discussed in the next section.

Note: Agencies are required to report amounts related to unknown CFDA numbers on the appropriate tab(s). For amounts with unknown CFDA numbers, agencies are required to report the federal program name and other identifying number (such as the contract number) on the last column in each tab. It is expected that this column will primarily be used for subrecipient and pass through entities. Agencies must perform reasonable steps to determine the actual CFDA number before electing to report any amounts with unknown CFDA numbers.

At a minimum, agencies must contact the disbursing entity to determine the actual CFDA number before entering amounts without known CFDA numbers. Agencies should make every effort to include any contract numbers if applicable. Agencies failing to perform this minimum level of due diligence for amounts without actual CFDA numbers, may be cited for noncompliance in the Report on Statewide Financial Management and Compliance (Quarterly Report).

Continued on next page

Comptroller's Directive No. 3-07
Attachment 14
Federal Schedules

**Overview of
federal
schedules**

All expenditures made from funds received directly from the Federal Government and federal expenditures / disbursements reported on all other tabs (except for the expenditures reported on the **RECEIVED FROM NONSTATE** tab) should be reported on the **SEFA** tab. **This distinction is made because expenditures reported on the RECEIVED FROM NONSTATE tab are classified as “Indirect” expenditures in the Statewide report and all other expenditures / disbursements are classified as “Direct” expenditures.**

Therefore, federal expenditures and / or disbursements reported on the **SEFA** tab plus the total federal expenditures and / or disbursements reported on the **RECEIVED FROM NONSTATE** tab should equal total federal expenditures for the agency. The individual tabs are discussed below:

1. **RECEIVED FROM STATE** tab – pass-through funds received from other state agencies / institutions should be reported on this tab. **ANY EXPENDITURE MADE FROM THESE FUNDS SHOULD BE INCLUDED ON THE SEFA TAB.**
2. **RECEIVED FROM NONSTATE** tab – pass-through funds received from Non-state entities (**See definition of Non-state entities on page 7**) and expenditures made from the funds received should be reported on this tab. **EXPENDITURE AMOUNTS REPORTED ON THE RECEIVED FROM NONSTATE TAB SHOULD NOT BE INCLUDED ON THE SEFA TAB.**
3. **DISBURSED TO STATE** tab – pass-through funds disbursed to other state agencies / institutions should be reported on this tab. **THESE DISBURSEMENTS SHOULD ALSO BE INCLUDED ON THE SEFA TAB.**

Continued on next page

Comptroller's Directive No. 3-07
Attachment 14
Federal Schedules

Overview of federal schedules (continued)

4. **DISBURSED TO NONSTATE** tab – pass-through funds disbursed to non-state entities (See definition of Non-state entities on page 7) should be reported on this tab. **THESE DISBURSEMENTS SHOULD ALSO BE INCLUDED ON THE SEFA TAB.**
 5. **SEFA** tab – all expenditures / disbursements made by the agency / institution, **except for expenditures reported on the RECEIVED FROM NONSTATE tab**, should be included on this tab.
-

**Important
Items-General**

- Use the **cash basis** of accounting.
 - The spreadsheets in the federal schedules.xls, recon.xls, and foot.xls files **are designed so that you only need to fill in the yellow highlighted cells.**
 - Enter **whole dollar amounts** in all files to prevent rounding errors.
 - If N/A appears in any cell you have keyed, you have entered invalid data and you should recheck what has been keyed. Please do not submit schedules with N/A unless you have discussed it with DOA first.
-

**Important
Items-Federal
schedules
template**

- If the CFDA number is entered and the incorrect Federal Program Name or Federal Program Grantor Name appears on any spreadsheet, **and you have verified the CFDA number is correct by checking the www.cfda.gov website**, please contact Penny Williams at (804) 225-3804 or e-mail at penny.williams@doa.virginia.gov for assistance.
 - Unknown CFDA numbers are those numbers where the Federal grantor is known but the CFDA number is unknown. You must include the first two digits of the CFDA number. (For example, 10.000 would be used if the Federal Grantor is the U.S. Department of Agriculture, but the CFDA number is unknown.)
 - **A column titled “Program Name - Unidentified CFDA Number” is included in each tab in the Federal Schedules.xls file. Enter the program name (if known) followed by a dash and then enter the other identifying number (such as the contract number) in this column if N/A appears in the program name column when the actual CFDA number is unknown. Otherwise enter the known and verified 5 digit CFDA number after the dash following the program name.**
-

Continued on next page

Comptroller's Directive No. 3-07
Attachment 14
Federal Schedules

Important Items-Federal schedules template (continued)

- Use “@” to indicate research and development (R & D) expenditures on any spreadsheet tab applicable. CFDA numbers that have **both** R & D expenditures and expenditures other than R & D should be listed on the appropriate tab two times: once **with** the “@” to identify the R & D expenditures, and once **without** the “@” to identify the expenditures other than R & D.
- Running totals are located on each spreadsheet tab.
- Do not use “-” (dashes) to represent \$0.00. You must use the number “0”.
- Do not leave blank rows between rows of information within the spreadsheets when keying in data.
- The Federal Government is **not** a **Non-state entity**. **Non-state entities** are counties, cities, towns, local governments, local governmental authorities, regional governmental authorities, public or private foundations, institutes, museums, and corporations or similar organizations which are not units of State government or political subdivisions of the Commonwealth as established by general law or special act. (**DO NOT** report disbursements to or receipts from the Federal government on the **Disbursed to Non-state Entities** and / or **Received from Non-state Entities** tabs.) Community service boards and area agencies on aging should be reported as non-state agencies for reporting purposes. These agencies are not audited by the Auditor of Public Accounts and are not considered to be state agencies.

Do not include Federal subagencies on disbursed/received from non-state tabs. Federal subagencies are listed on the following websites:

<http://www.nih.gov/icd/>

<http://www.nasa.gov/about/sites/index.html>

<http://www.energy.gov/organization/labs-techcenters.htm>

- Pass-through disbursements to State or non-state entities should be reported as expenditures on the appropriate tab(s). **Do not eliminate any pass-through disbursements**. DOA eliminates pass-through transactions at a statewide level.
- Include indirect cost recoveries as expenditures on the SEFA tab.
- Refunds of Federal revenue should **not** be reported on any of the Federal Schedules.

Continued on next page

Comptroller's Directive No. 3-07
Attachment 14
Federal Schedules

Important Items-Federal schedules template (continued)

- **Combine grant expenditures and program income expenditures to report the total expenditures for each Catalog of Federal Domestic Assistance (CFDA) number.**
- Add the value of nonmonetary disbursements to the monetary expenditures to determine the total expenditures for CFDA numbers that have both monetary and nonmonetary disbursements. (Nonmonetary disbursements and ending inventory should be identified in the **Footnote Schedules**.)
- Use the hard copy or on-line (www.cfda.gov) version of the Catalog to verify the CFDA numbers and program names.
- **Do not use CFDA number 00.000.** Contact the entity that provided the funds to determine the correct and complete CFDA number. At a minimum, each entity is required to identify the Federal grantor agency with the first two digits of the CFDA number (i.e., 10.000, 93.000).
- Do not report the expenditure detail for different grants within one CFDA number on the schedules. Instead, sum the expenditures and report the total expenditures for each CFDA number.
- OMB Circular A-133 defines research and development “as all research activities, both basic and applied, and all development activities that are performed by a non-profit organization.”
 - Research is a systematic study directed toward fuller scientific knowledge or understanding of the subject studied. Research also includes activities involving the training of individuals in research techniques where such activities utilize the same facilities as other research and development.
 - Development is the systematic use of knowledge gained from research directed toward the production of useful materials, devices, systems, or methods, including design and development of prototypes and processes.

Continued on next page

Comptroller's Directive No. 3-07
Attachment 14
Federal Schedules

Important Items-Federal schedules template (continued)

**Important
Items-Pass-
through
schedules**

Do not include payments to vendors under contract for the purchase of goods and services on the pass-through schedules.

The medium through which payment is rendered (IAT, check, etc.) does not determine whether the relationship is vendor or subrecipient.

A **subrecipient** is “A non-Federal entity that expends Federal awards received from a pass-through entity to carry out a Federal program, but does not include an individual that is a beneficiary of such a program. A subrecipient may also be a recipient of other Federal awards directly from a Federal awarding agency.”

A **vendor** is “a dealer, distributor, merchant, or other seller providing goods or services that are required for the conduct of a Federal program. These goods or services may be for an organization’s own use or for the use of beneficiaries of the Federal program.”

Consider the following characteristics to identify a subrecipient or vendor relationship.

Continued on next page

Comptroller's Directive No. 3-07
Attachment 14
Federal Schedules

Important Items-Pass-through schedules (continued)

SUBRECIPIENT

- Determines who is eligible to receive Federal financial assistance.
- Has its performance measured by meeting the objectives of the Federal program.
- Has responsibility for programmatic decision making.
- Has responsibility for adherence to applicable Federal program compliance requirements.
- Uses the Federal funds to carry out a program of the organization as compared to providing goods or services for a program of the pass-through entity.

VENDOR

- Provides the goods and services within normal business operations.
- Provides similar goods or services to many different purchasers.
- Operates in a competitive environment.
- Provides goods or services that are ancillary to the operation of the Federal program.
- Is not subject to compliance requirements of the Federal program.

DOA strongly encourages communication between entities exchanging Federal pass-through funds. Such communication ensures consistent reporting and reduces the time required for statewide compilation and audit. Contact Penny Williams at DOA if the agency needs assistance with identifying the Federal contacts at other agencies.

DOA will perform a variance analysis for pass-through funds received and pass-through funds disbursed among State agencies / institutions. DOA will investigate significant variances, and **State agencies / institutions will be required to explain these variances IN WRITING by a due date to be determined in future communications.**

Continued on next page

Comptroller's Directive No. 3-07
Attachment 14
Federal Schedules

**Important
Items-
Reporting loan
programs**

Report loan programs using criteria in the following table.

If the loan program is...	Then Federal Expenditures should be...
Campus based loan program (Perkins - #84.038, Health Professions Loans - #93.342, Nursing Student Loans - #93.364)	Loans receivable balances at year-end plus any administrative costs recovered.
Non-campus based loan program (Federal Family Education Loans - #84.032, Federal Direct Student Loans - #84.268, and #93.108 – Health Education Assistance Loans)	Value of loans disbursed during the fiscal year. Be sure to include subsidized and non-subsidized loan balances. Include PLUS loan balances if the university is the eligible lender (instead of the bank).
College Facilities Loan (#84.142)	Outstanding balances of loans payable at year-end.
Capitalization Grants for State Revolving Funds (#66.458) and Capitalization Grants for Drinking Water State Revolving Fund (#66.468)	Distributions to the Virginia Resources Authority for subsequent disbursements to subrecipients and administrative costs recovered.
Economic Adjustment Assistance Program (#11.307)	Cash on hand and outstanding balance of loans receivable from subrecipients at year-end.

Continued on next page

Comptroller's Directive No. 3-07
Attachment 14
Federal Schedules

Preparing the
federal
schedules.xls
template;
**RECEIVED
FROM STATE
tab**

The **Received from State** tab identifies Federal assistance disbursed from other State agencies / institutions and received by the agency in a subrecipient relationship. The Federal assistance is listed by CFDA number and by State grantor agency / institution. **Report amounts related to unknown CFDA numbers that were received from state agencies / institutions on this tab and expenditures made from these funds on the SEFA tab.**

Instructions for preparing the **Received from State** tab are in the following table.

Step	Action
1	Click on the RECEIVED FROM STATE tab. Enter your agency number in cell B2 (the first yellow highlighted cell). After you type in the agency number, hit enter and your agency name should appear in cell B1, the cell directly above agency number. The agency number and title are linked to the remaining tabs. Make sure your agency number appears on all other spreadsheets. ONLY include federal money received from a Virginia state agency / institution.
2	In Column B, enter the State agency / institution number for the agency / institution that disbursed Federal pass-through funds to your agency beginning on line 8. Fill in one line for each grantor agency / institution and CFDA. When you hit enter, your agency number should appear in Column A, and the grantor state agency name should appear in Column C. Please ensure that the correct agency names appear to ensure you have keyed the correct agency number.
3	Key the CFDA numbers in numerical order in Column D. As each CFDA number is keyed, hit enter. The federal program name will appear in Column E. Please ensure this is the name of the program under which the funds were received. Report each CFDA number only once on the schedule unless the CFDA number has both research and development (R & D) expenditures and expenditures other than R & D. Key "@" in Column G to indicate R & D expenditures.

Continued on next page

Comptroller's Directive No. 3-07
Attachment 14
Federal Schedules

Preparing the federal schedules.xls template; **RECEIVED FROM STATE** tab (continued)

Step	Action
4	In Column F, enter the total amount of pass-through funds received from other State agencies / institutions. Use the cash basis or the value of nonmonetary assistance to report these receipts. Expenditures made from these funds should also be included on the SEFA tab.
5	A column titled “Program Name - Unidentified CFDA Number” is included in each tab in the Federal Schedules.xls file. Enter the program name (if known) followed by a dash and then enter the other identifying number (such as the contract number) in this column if N/A appears in the program name column when the actual CFDA number is unknown. Otherwise enter the known and verified 5 digit CFDA number after the dash following the program name.

Preparing the
federal
schedules.xls
template;
**RECEIVED
FROM
NONSTATE
tab**

The **Received from Nonstate** tab identifies Federal assistance disbursed from non-state entities and received by the agency in a subrecipient relationship. **Also, this tab identifies the Federal expenditures made from the pass-through funds received from the non-state entities.** (See page 7 for the definition of non-state entities.) The Federal receipts and disbursements are listed by CFDA number **and** by non-state entity name. **Report amounts related to unknown CFDA numbers that were received from non-state entities and the related expenditures made from the pass-through funds received on this tab. DO NOT report expenditures made from the pass-through funds received on the SEFA tab.**

DO NOT ABBREVIATE THE NON-STATE ENTITY NAMES. DOA WILL NOT ACCEPT TEMPLATES THAT CONTAIN ABBREVIATIONS.

Instructions for preparing the **Received from Nonstate** tab are in the following table.

Continued on next page

Comptroller's Directive No. 3-07
Attachment 14
Federal Schedules

Preparing the federal schedules.xls template; RECEIVED FROM NONSTATE tab (continued)

Step	Action
1	Click on the RECEIVED FROM NONSTATE tab. Do not enter the agency number and name. This information is linked to the RECEIVED FROM STATE tab. ONLY include federal money received by your agency from a non-state entity on this tab. The Federal Government is not a non-state entity.
2	Fill in the non-state entity grantor name (DO NOT USE ABBREVIATIONS) in Column B beginning on line 8. As each entity is keyed, hit enter. Your agency number will appear in Column A. Fill in one line for each non-state entity grantor and CFDA.
3	Key the CFDA numbers in numerical order in Column C. As each CFDA number is keyed, hit enter. The federal program name will appear in Column D. Please ensure this is the name of the program under which the funds were received. Report each CFDA number only once on the schedule unless the CFDA number has both research and development (R & D) expenditures and expenditures other than R & D. Key "@" in Column G to indicate R & D expenditures.
4	In Column E, enter the total dollar amount of Federal pass-through funds received from non-state entities for each CFDA number. Use the cash basis or the value of nonmonetary assistance to report the receipts.
5	In Column F, enter the total dollar amount of Federal expenditures made from the pass-through funds received from non-state entities. Enter a zero if no funds were expended, and report negative amounts if applicable. Expenditures / disbursements made from these funds should NOT be reported on the SEFA tab.
6	A column titled "Program Name - Unidentified CFDA Number" is included in each tab in the Federal Schedules.xls file. Enter the program name (if known) followed by a dash and then enter the other identifying number (such as the contract number) in this column if N/A appears in the program name column when the actual CFDA number is unknown. Otherwise enter the known and verified 5 digit CFDA number after the dash following the program name.

Comptroller's Directive No. 3-07
Attachment 14
Federal Schedules

Preparing the
federal
schedules.xls
template;
**DISBURSED
TO STATE** tab

The **Disbursed to State** tab identifies Federal assistance disbursed from the agency to subrecipient State agencies / institutions. The Federal disbursements are listed by CFDA number and by State receiving agency / institution. **Report amounts related to unknown CFDA numbers that were disbursed to state agencies / institutions on this tab. These amounts should also be included on the SEFA tab.**

Instructions for preparing the **Disbursed to State** tab are in the following table.

Step	Action
1	Click on the DISBURSED TO STATE tab. Do not enter the agency number and name. This information is linked to the RECEIVED FROM STATE tab. ONLY include federal money disbursed from your agency to a Virginia state agency / institution on this tab.
2	In Column B, enter the State agency / institution number for the agency / institution to which the agency disbursed Federal pass-through funds beginning on line 8. Fill in one line for each grantor agency / institution and CFDA. When you hit enter, your agency number should appear in Column A, and the subrecipient state agency name should appear in Column C. Please ensure that the correct agency names appear to ensure you have keyed the correct agency number.
3	Key the CFDA numbers in numerical order in Column D. As each CFDA number is keyed, hit enter. The federal program name will appear in Column F. Please ensure this is the name of the program under which the funds were received. Report each CFDA number only once on the schedule unless the CFDA number has both research and development (R & D) expenditures and expenditures other than R & D. Key "@" in Column E to indicate R & D expenditures.
4	In Column G, enter the total amount of pass-through funds disbursed to other State agencies / institutions. Use the cash basis or the value of nonmonetary assistance to report the disbursements. These disbursements should also be included on the SEFA tab.

Continued on next page

Comptroller's Directive No. 3-07
Attachment 14
Federal Schedules

Preparing the federal schedules.xls template; DISBURSED TO STATE tab (Continued)

Step	Action
5	A column titled “Program Name - Unidentified CFDA Number” is included in each tab in the Federal Schedules.xls file. Enter the program name (if known) followed by a dash and then enter the other identifying number (such as the contract number) in this column if N/A appears in the program name column when the actual CFDA number is unknown. Otherwise enter the known and verified 5 digit CFDA number after the dash following the program name.

Preparing the federal schedules.xls template; DISBURSED TO NONSTATE tab

The **Disbursed to Non-state tab** identifies Federal assistance disbursed from the agency to subrecipient non-state entities. (See page 7 for the definition of non-state entities.) The Federal disbursements are listed by CFDA number only. Do not report the names of the non-state entities. **Report amounts related to unknown CFDA numbers that were disbursed to non-state entities on this tab. These amounts should also be included on the SEFA tab.**

Instructions for preparing the **Disbursed to Non-state Entities tab** are in the following table.

Step	Action
1	Click on the DISBURSED TO NONSTATE tab. Do not enter the agency number and name. This information is linked to the RECEIVED FROM STATE tab. ONLY include federal money disbursed from your agency to a non-state entity on this tab.
2	Key the CFDA numbers in numerical order in Column B beginning on line 8. Fill in one line for each CFDA number. As each CFDA number is keyed, hit enter. Your agency number will appear in Column A, and the federal program name will appear in Column C. Please ensure this is the name of the program under which the funds were received. Report each CFDA number only once on the schedule unless the CFDA number has both research and development (R & D) expenditures and expenditures other than R & D. Key “@” in Column E to indicate R & D expenditures.

Continued on next page

Comptroller's Directive No. 3-07
Attachment 14
Federal Schedules

Preparing the federal schedules.xls template; DISBURSED TO NONSTATE tab (continued)

Step	Action
3	In Column D, enter the total amount of Federal pass-through funds disbursed to non-state entities for each CFDA number. Use the cash basis or the value of nonmonetary assistance to report the disbursements. These disbursements should also be included on the SEFA tab.
4	A column titled “Program Name - Unidentified CFDA Number” is included in each tab in the Federal Schedules.xls file. Enter the program name (if known) followed by a dash and then enter the other identifying number (such as the contract number) in this column if N/A appears in the program name column when the actual CFDA number is unknown. Otherwise enter the known and verified 5 digit CFDA number after the dash following the program name.

Preparing the federal schedules.xls template; SEFA tab

The **SEFA** tab should include all federal expenditures / disbursements, except for the expenditures / disbursements reported on the **RECEIVED FROM NONSTATE** tab. **Report all expenditure / disbursement amounts related to unknown CFDA numbers on this tab except those expenditures / disbursements reported on the RECEIVED FROM NONSTATE tab.**

Instructions for preparing the **SEFA** tab are in the table below.

Step	Action
1	Click on the SEFA tab. Do not enter the agency number and name. This information is linked to the RECEIVED FROM STATE tab.
2	<p>In Column C, type in the appropriate CFDA number beginning on line 8. Hit Enter. Your agency number should automatically appear in Column A. The appropriate Federal grantor agency should automatically appear in Column B, and the Federal program name should automatically appear in Column E.</p> <p>Report each CFDA number only once on the schedule unless the CFDA number has both research and development (R & D) expenditures and expenditures other than R & D. Key “@” to indicate R & D expenditures.</p>

Continued on next page

Comptroller's Directive No. 3-07
Attachment 14
Federal Schedules

Preparing the federal schedules.xls template; SEFA tab (continued)

Step	Action
3	Report all Federal disbursements in Column F, EXCEPT expenditures / disbursements reported on the RECEIVED FROM NONSTATE tab.
4	A column titled “Program Name - Unidentified CFDA Number” is included in each tab in the Federal Schedules.xls file. Enter the program name (if known) followed by a dash and then enter the other identifying number (such as the contract number) in this column if N/A appears in the program name column when the actual CFDA number is unknown. Otherwise enter the known and verified 5 digit CFDA number after the dash following the program name.
5	Ensure the Federal program name is consistent throughout all applicable worksheets. If the name is unknown, use Other Assistance as the program name, only after you have verified there is no federal contract or program name applicable.

Comptroller's Directive No. 3-07
Attachment 14
Federal Schedules

**Preparing the
footnote.xls
template**
(footnote file)

The following **Footnote Schedules** must be completed by the agencies listed.

Ensure applicable footnote totals agree to the sum of the amounts reported on the SEFA tab and the RECEIVED FROM NONSTATE tab for the applicable CFDA number. For example, the sum of the nonmonetary federal disbursement amount and the monetary federal disbursement amount reported in the Food Distributions Program footnote should agree to the sum of the amounts reported on the SEFA tab and the RECEIVED FROM NONSTATE tab for the applicable CFDA number.

Childhood Immunization Grants footnote:

- Department of Health

Donation of Federal Surplus Personal Property footnote:

- Department of General Services

Emergency Unemployment Benefits footnote:

- Virginia Employment Commission

Food Distribution Programs footnote:

- Department of Agriculture and Consumer Services
- Department of Corrections
- Department of Juvenile Justice
- Department of Mental Health, Mental Retardation, and Substance Abuse Services
- Virginia School for the Deaf and the Blind – Hampton
- Virginia School for the Deaf and the Blind – Staunton

Food Stamps footnote:

- Department of Social Services

If the footnote file does not pertain to your agency please do not submit a blank file. If the agency received or disbursed nonmonetary assistance in FY 2007 and is not listed above, call Penny Williams at DOA at (804) 225-3804 or e-mail at penny.williams@doa.virginia.gov. The footnote.xls workbook includes 5 tabs with each tab representing a footnote within the workbook. The tabs are located at the bottom of the screen. Clicking once on the desired tab will allow you to get to a specific footnote.

Comptroller's Directive No. 3-07
Attachment 14
Federal Schedules

**Reconciliation
of the Schedule
of Expenditures
of Federal
Awards**

The recon.xls workbook includes 2 tabs with each tab representing a worksheet within the workbook. The tabs are located at the bottom of the screen. Clicking once on the desired tab will allow you to get to an individual worksheet. The reconciliation schedules and tab names are listed below.

Reconciliation Schedules	Tab-name
System (CARS) Reconciliation	SYSTEM tab
Financial Statement Template Reconciliation	F/S Template tab

The **Reconciliation of the Schedule of Expenditures of Federal Awards** reconciles the expenditures reported on the **SEFA** tab plus the expenditures reported on the **Received from Nonstate** tab to the amount of Federal expenditures recorded on the accounting system, which is CARS for most agencies.

If this Directive requires the agency to submit a **financial statement template**, the agency must also prepare a formal reconciliation of the **Schedule of Expenditures of Federal Awards** to the amount reported on the financial statement template.

Incomplete or improper **Reconciliations of the Schedule of Expenditures of Federal Awards** will be returned to the agencies. **These agencies will be asked to resubmit the reconciliations and may be cited for noncompliance in the Report on Statewide Financial Management and Compliance (Quarterly Report).**

Comptroller's Directive No. 3-07
Attachment 14
Federal Schedules

Preparing the
recon.xls
template for
accounting
system

Instructions for preparing the **Reconciliation of the Schedule of Expenditures of Federal Awards** to the accounting system (CARS) are in the following table.

Step	Action
1	Select the SYSTEM worksheet in the recon.xls file.
2	Enter the agency number, contact information, and date completed in the applicable cells highlighted in yellow.
3	The agency name will automatically be entered in cell C2 once the agency number has been entered in cell C1.
4	In cell E11, enter the total Federal Expenditures amount as reported on the SEFA tab.
5	In cell E12, enter the total Federal Expenditures amount as reported on the Received from Nonstate tab.
6	<p>Use the CARS 402 Option B1 report to enter the following information in Column E for Fund 1000:</p> <ul style="list-style-type: none">• Expenditures (GLA 901) on line 17• Expenditure Refunds (GLA 902) on line 18• Pass-Through Transfers Out (GLA 989) on line 19 <p><u>Do not add or delete any line items in this CARS section.</u> Instead, any additional items should be listed in the reconciling items section. Examples include the following:</p> <ul style="list-style-type: none">• Federal expenditures recorded in funds other than Fund 1000. <p>Any other CARS amounts, such as Transfers Out.</p>
7	The difference between the expenditures as reported on the SEFA tab plus the expenditures reported on the Received from Nonstate tab and the expenditures in CARS will be calculated on line 23. This difference should be completely reconciled before submission to DOA.
8	Begin reconciling items on line 26.

Continued on next page

Comptroller's Directive No. 3-07
Attachment 14
Federal Schedules

Preparing the recon.xls template for accounting system (continued)

Step	Action								
9	<p>Enter a brief description for each reconciling item in Column A. Enter the dollar amount in Column E. See the following examples:</p> <table><tr><td>Cash Transfers Out (GLA 983) – expenditures not error corrections</td><td>\$XXX</td></tr><tr><td>Nonmonetary disbursements</td><td>\$XXX</td></tr><tr><td>Indirect Costs (GLA 975)</td><td>\$XXX</td></tr><tr><td>Federal expenditures recorded in Fund 09XX instead of Fund 1000</td><td>\$XXX</td></tr></table> <p>(The agency may or may not have the reconciling items listed above.)</p>	Cash Transfers Out (GLA 983) – expenditures not error corrections	\$XXX	Nonmonetary disbursements	\$XXX	Indirect Costs (GLA 975)	\$XXX	Federal expenditures recorded in Fund 09XX instead of Fund 1000	\$XXX
Cash Transfers Out (GLA 983) – expenditures not error corrections	\$XXX								
Nonmonetary disbursements	\$XXX								
Indirect Costs (GLA 975)	\$XXX								
Federal expenditures recorded in Fund 09XX instead of Fund 1000	\$XXX								
10	<p>The sum of the reconciling items must equal the difference between the expenditures on the SEFA tab plus the expenditures on the Received from Nonstate tab and the expenditures in CARS (line 23). <u>If these amounts do not equal, further investigation is required because DOA will not accept incomplete or improper reconciliations.</u></p>								
11	<p>Do not send the supporting documents for the reconciliations to DOA. Only submit the reconciliations to DOA. A copy of the reconciliation and all supporting documents should remain at the agency for potential APA review.</p>								

Comptroller's Directive No. 3-07
Attachment 14
Federal Schedules

**Preparing the
recon.xls
template for
financial
statement
template**

Instructions for preparing the **Reconciliation of the Schedule of Expenditures of Federal Awards** to the financial statement template are in the following table. *(Perform this reconciliation only if this Directive requires the agency to submit financial statement templates.)*

Step	Action
1	Select the F/S Template worksheet in the recon.xls file.
2	Enter the agency number, contact information and the date completed in the applicable cells highlighted in yellow.
3	The agency name will automatically be entered in cell C2 once the agency number has been entered in cell C1.
4	In cell E12, enter the total Federal Expenditures amount as reported on the SEFA tab.
5	In cell E13, enter the total Federal Expenditures amount as reported on the Received from Nonstate tab.
6	List the total Federal expenditures per the financial statement template by entering the following information: <ul style="list-style-type: none">• Financial statement template line item name in cell B18.• Total Federal expenditures as reported on the financial statement template line item in cell E18.
7	The difference between the expenditures as reported on the SEFA tab plus the expenditures as reported on the Received from Nonstate tab and the expenditures in the financial statement template will be calculated in cell E21. This difference should be completely reconciled before submission to DOA.
8	Begin reconciling items on line 25.

Continued on next page

Comptroller's Directive No. 3-07
Attachment 14
Federal Schedules

Preparing the recon.xls template for financial statement template (continued)

Step	Action								
9	<p>Enter a brief description for each reconciling item in Column A. Enter the dollar amount in Column E. See the following examples:</p> <table><tr><td>Cash Transfers Out (GLA 983) – expenditures not error corrections</td><td>\$XXX</td></tr><tr><td>Nonmonetary disbursements</td><td>\$XXX</td></tr><tr><td>Indirect Costs (GLA 975)</td><td>\$XXX</td></tr><tr><td>Federal expenditures recorded in Fund 09XX instead of Fund 1000</td><td>\$XXX</td></tr></table> <p>(The agency may or may not have the reconciling items listed above.)</p>	Cash Transfers Out (GLA 983) – expenditures not error corrections	\$XXX	Nonmonetary disbursements	\$XXX	Indirect Costs (GLA 975)	\$XXX	Federal expenditures recorded in Fund 09XX instead of Fund 1000	\$XXX
Cash Transfers Out (GLA 983) – expenditures not error corrections	\$XXX								
Nonmonetary disbursements	\$XXX								
Indirect Costs (GLA 975)	\$XXX								
Federal expenditures recorded in Fund 09XX instead of Fund 1000	\$XXX								
10	<p>The sum of the reconciling items must equal the difference between the expenditures on the SEFA tab plus the expenditures on the Received from Nonstate tab and the expenditures in the financial statement template (cell E21). <u>If these amounts do not equal, further investigation is required because DOA will not accept incomplete or improper reconciliations.</u></p>								
11	<p>Do not send the supporting documents for the reconciliations to DOA. Only submit the reconciliations to DOA. A copy of the reconciliation and all supporting documents should remain at the agency for potential APA review.</p>								

Comptroller's Directive No. 3-07
Attachment 15
GASBS No. 33 Expenditure and Revenue Analysis

Purpose

The purpose of this attachment is as follows:

- Identify ALL **expenditures** (general ledger accounts 901 / 902), **including** federal expenditures, recorded on CARS for nonexchange transactions that do not meet the recognition requirements as defined in **GASBS No. 33** and must be reclassified as an **advance**.
- Identify **revenue** (general ledger accounts 961 / 962), **excluding** federal revenue, recorded on CARS for nonexchange transactions that does not meet the recognition requirements as defined in **GASBS No. 33 / GASBS No. 36** and must be reclassified as **unearned revenue**. The federal revenue is analyzed in Attachment 24.
- Identify **GASBS No. 33** transactions not recognized because they were not measurable.

Refer to **GASBS No. 33**, **GASBS No. 36** and the **GASBS No. 33 Nonexchange Transactions Overview** section in this Directive for nonexchange reporting requirements and examples.

This attachment is similar to prior year's Attachment 15.

Applicable agencies

All agencies with revenues and expenditures on CARS for those funds that are not included in the agency submitted financial statement templates.

Due date

August 16, 2007

Certification

The **Certification** tab is new for FY 2007, and it requires all preparers and reviewers to type their name on this form. Please note that there should be a segregation of duties; therefore, the preparer and the reviewer should not be the same individual for any tab. By typing a name, the individual is certifying that all tabs of this attachment have been reviewed, the information is both complete and accurate, and the preparer and reviewer were not the same individual for any tab.

Continued on next page

Comptroller's Directive No. 3-07
Attachment 15
GASBS No. 33 Expenditure and Revenue Analysis

**Submission
requirements**

Contact DOA if the agency has any problems with the files.

After downloading the files, rename the spreadsheet file using the agency number followed by Att15. For example, agency 151 should rename its Attachment 15.xls file as 151Att15.xls.

Submit these Excel spreadsheets electronically to
finrept-agyatt@doa.virginia.gov.

Copy APA via e-mail to APAFinRept@apa.virginia.gov.

Do not submit paper copies of the Excel attachment.

**Attachment
revisions**

If attachment revisions are made subsequent to DOA acknowledgement of receipt and acceptance of the original attachment submission, **resubmit the revised attachment AND complete the [Revision Control Log](#) tab in the attachment excel file.**

Enter the revision date, applicable excel file tab name, row number and column letter revised, and the previous and revised information. Document text changes and numerical changes. Only enter changes for amounts actually keyed. For example, if a non-keyed, calculated total changes as a result of the revision, this does not need to be documented on the Revision Control Log.

If the attachment is revised more than once, do not delete control log revision information from the previous revision. Enter the new revision date and the additional revisions in the rows following the initial revision rows. This log should document all revisions from the initial attachment submission.

Each time a revision is submitted the **[Certification](#)** tab should be updated with new signatures and dates.

Exclusions

Exchange type transactions such as Interest and Prepayments (for rent and insurance) should not be included on this Attachment. Prepayments should be included on **[Attachment 7, Schedule of Inventory on Hand as of June 30 and Prepayments](#)**.

Continued on next page

Comptroller's Directive No. 3-07
Attachment 15
GASBS No. 33 Expenditure and Revenue Analysis

**Spreadsheet
instructions –
Part 1**

This spreadsheet lists each State agency excluding State agencies that are discrete component units (i.e. higher education institutions) and State agencies that prepare financial statement templates for all funds recorded on CARS for their agency. The spreadsheet is sorted by control agency and then by agency code. **Each control agency must complete this spreadsheet for all agencies under its control.**

Step	Action
-	Record the contact information.
1	<p>Click on the control agency number. This will show only the agencies under that control agency number. Contact DOA if you find an agency # missing.</p> <p>Note: If the agency cannot click on the control agency number using the drop down arrow, then scroll down to the control agency number. The agency may be running an earlier version of Windows which may not allow the agency to use the drop down arrow when the worksheet is locked.</p>
2	<p>For each agency # that is under the control agency #, including federal funds, analyze all nonexchange expenditure / expenditure refund (GLA 901 / 902) transactions recorded on CARS for fiscal year ended June 30 for all funds excluding funds that are reported in agency submitted financial statement templates and determine the following:</p> <ul style="list-style-type: none">• Did the agency record any expenditures (GLA 901) net of any related expenditure refunds (GLA 902) on CARS for the fiscal year ended June 30 that did not meet the expenditure recognition requirements defined in <u>GASBS No. 33</u> and that must be reclassified as an Advance?• Enter “Yes” or “No” <p>If yes, agencies must complete Part 2.</p>

Continued on next page

Comptroller's Directive No. 3-07
Attachment 15
GASBS No. 33 Expenditure and Revenue Analysis

Spreadsheet instructions – Part 1, continued

Step	Action																												
3	<p>For each agency # that is under the control agency #, excluding federal funds, analyze all nonexchange revenue / revenue refund (GLA 961 / 962) transactions recorded on CARS for fiscal year ended June 30 for all funds excluding funds that are reported in the agency submitted financial statement templates and determine the following:</p> <ul style="list-style-type: none"> Excluding federal funds, did the agency record any revenues (GLA 961) net of any related revenue refunds (GLA 962) on CARS for the fiscal year ended June 30 that do not meet the revenue recognition requirements defined in <u>GASBS No. 33</u> / <u>GASBS No. 36</u> and that must be reclassified as deferred revenue? Enter “Yes” or “No” <p>If yes, agencies must complete Part 3.</p> <p>*Note: Federal fund revenue activity is analyzed in Attachment 24.</p> <p>Federal funds are identified in CARS as follows.</p> <table> <tr> <th><u>Agency</u></th><th><u>Fund / Fund Detail</u></th></tr> <tr> <td>All</td><td>1000</td></tr> <tr> <td>132</td><td>0701</td></tr> <tr> <td>140</td><td>0701, 0704</td></tr> <tr> <td>182</td><td>0701, 0721, 0724, 0725</td></tr> <tr> <td>301</td><td>0710, 0725, 1088</td></tr> <tr> <td>325</td><td>0701</td></tr> <tr> <td>326</td><td>0701</td></tr> <tr> <td>409</td><td>1088</td></tr> <tr> <td>411</td><td>0900</td></tr> <tr> <td>440</td><td>0964</td></tr> <tr> <td>501</td><td>0401</td></tr> <tr> <td>505</td><td>0401</td></tr> <tr> <td>601</td><td>0925, 0945</td></tr> </table>	<u>Agency</u>	<u>Fund / Fund Detail</u>	All	1000	132	0701	140	0701, 0704	182	0701, 0721, 0724, 0725	301	0710, 0725, 1088	325	0701	326	0701	409	1088	411	0900	440	0964	501	0401	505	0401	601	0925, 0945
<u>Agency</u>	<u>Fund / Fund Detail</u>																												
All	1000																												
132	0701																												
140	0701, 0704																												
182	0701, 0721, 0724, 0725																												
301	0710, 0725, 1088																												
325	0701																												
326	0701																												
409	1088																												
411	0900																												
440	0964																												
501	0401																												
505	0401																												
601	0925, 0945																												
4	<p>For all net revenue and net expenditure nonexchange transactions, were there any <u>GASBS No. 33</u> transactions not recognized because they were not measurable (see <u>GASBS No. 33</u>, paragraph 11)?</p> <ul style="list-style-type: none"> Enter “Yes” or “No” If yes, provide a description of the transactions in the space provided. 																												

Continued on next page

Comptroller's Directive No. 3-07
Attachment 15
GASBS No. 33 Expenditure and Revenue Analysis

**Spreadsheet
instructions –
Part 2**

Including federal funds, in order to identify the net expenditures (GLA 901 / 902) recorded on CARS as of June 30 that must be reclassified, follow these instructions.

This spreadsheet must be completed for each agency that has answered yes to Part 1, Step 2. This spreadsheet provides more detail in order to make the reclassification of expenditures to advances.

Step	Action
-	Record the control agency number and control agency name.
1	Record the agency number on each row of information. This must be entered as a numeric field.
2	Record the fund / fund detail. This must be entered as a numeric field. When fund / fund detail 0100 is entered as a numeric field it will show on the spreadsheet as 100.
3	Record the function of the expenditures. The function is the first digit of the service area code. A drop-down list is available. Click on the cell, click on the arrow, and click on the appropriate function. The functions are listed below: 1-Education 3-Administration of Justice 4-Individual and Family Services 5-Resources and Economic Development 6-Transportation 7-General Government 8-Enterprise
4	Provide a brief description of the transactions, and document the eligibility requirement that was not met as of June 30 that requires these expenditures to be reclassified. This column is formatted as wrap text. The cell height should automatically adjust (heighten) to show all information keyed in.

Continued on next page

Comptroller's Directive No. 3-07
Attachment 15
GASBS No. 33 Expenditure and Revenue Analysis

Spreadsheet instructions- Part 2, continued

Step	Action
5	Record the net amount of expenditures recorded on CARS as of June 30 that must be reclassified to an Advance because expenditure recognition requirements per <u>GASBS No. 33</u> were <u>not</u> met. These amounts must be net of any related expenditure refunds. Round amounts to the nearest dollar.

Continued on next page

Comptroller's Directive No. 3-07
Attachment 15
GASBS No. 33 Expenditure and Revenue Analysis

**Spreadsheet
instructions –
Part 3**

Excluding federal funds, in order to identify the net revenues (GLA 961 / 962) recorded on CARS as of June 30 that must be reclassified, follow these instructions.

This spreadsheet must be completed for each agency that has answered yes to Part 1, Step 3. This spreadsheet provides more detail in order to make the reclassification of revenue to unearned revenue.

Step	Action
-	Record the contact information.
1	Record the agency number on each row of information. This must be entered as a numeric field. <u>Note:</u> If you do not enter as a numeric field you will get a message that says the value you entered is not valid.
2	Record the fund / fund detail. This must be entered as a numeric field. When fund / fund detail 0100 is entered as a numeric field it will show on the spreadsheet as 100.
3	Record the 5-digit revenue source code of the revenue. This must be entered as a numeric field. When the revenue source code 01000 is entered as a numeric field it will show on the spreadsheet as 1000.

Continued on next page

Comptroller's Directive No. 3-07
Attachment 15
GASBS No. 33 Expenditure and Revenue Analysis

Spreadsheet instructions – Part 3, continued

Step	Action
4	<p>Record the <u>GASBS No. 34</u> government-wide revenue classification of the revenues. A drop-down list is available. Click on the cell, click on the arrow, and click on the appropriate classification. Refer to the <u>GASBS No. 34 Government-wide Revenue Classification Table</u> on DOA's website at www.doa.virginia.gov for the proper classifications. Click on the "Financial Reporting" link. Then click on "Financial Statement Directives." The classifications are listed below:</p> <p>GR-Taxes GR-Investment earnings GR-Grants/Cont. not restricted to S. P. GR-Miscellaneous Endowments/Permanent Fund Principal PR-Chgs/1-Education PR-Chgs/3-Administration of Justice PR-Chgs/4-Individual and Family Services PR-Chgs/5-Resources and Economic Develop PR-Chgs/6-Transportation PR-Chgs/7-General Government PR-Chgs/8-Enterprise PR-Oper/1-Education PR-Oper/3-Administration of Justice PR-Oper/4-Individual and Family Services PR-Oper/5-Resources and Economic Develop PR-Oper/6-Transportation PR-Oper/7-General Government PR-Oper/8-Enterprise PR-Cap/1-Education PR-Cap/3-Administration of Justice PR-Cap/4-Individual and Family Services PR-Cap/5-Resources and Economic Develop PR-Cap/6-Transportation PR-Cap/7-General Government PR-Cap/8-Enterprise Not Applicable – Fiduciary Fund</p>

Continued on next page

Comptroller's Directive No. 3-07
Attachment 15
GASBS No. 33 Expenditure and Revenue Analysis

Spreadsheet instructions – Part 3, continued

Step	Action
4 (cont.)	<p>Below is a crosswalk of the acronyms:</p> <p>GR – General Revenues Cont. – Contributions S. P. – Specific Program PR – Program Revenue Charges – Charges for Goods/Services Oper – Operating Grants and Contributions Cap – Capital Grants and Contributions</p> <p><u>Note:</u> The program revenues are followed by the related function.</p>
5	<p>Provide a brief description of the transactions and document the eligibility requirement that was not met as of June 30 that requires these revenues to be reclassified. This column is formatted as wrap text. The cell height should automatically adjust (heighten) to show all information keyed in.</p>
6	<p>Excluding federal funds, record the net amount of revenues recorded on CARS as of June 30 that must be reclassified to unearned revenue because the revenue recognition requirements per <u>GASBS No. 33</u> / <u>GASBS No. 36</u> were <u>not</u> met. These amounts must be net of any related revenue refunds. Round amounts to the nearest dollar.</p>

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Comptroller's Directive No. 3-07
Attachment 16
GASBS No. 38 – Short-term Debt

Purpose	This attachment is used to gather short-term debt information for footnote disclosures required by <u>GASBS No. 38</u> , <i>Certain Financial Statement Note Disclosures</i> . This attachment is similar to prior year's Attachment 16.
Applicable agencies	Agencies that had short-term debt (anticipation notes, lines of credit, and similar loans) activity during the year with a party external to the Commonwealth, even if no short-term debt is outstanding at year-end.
Due date	August 16, 2007
Certification	The Certification tab is new for FY 2007, and it requires all preparers and reviewers to type their name on this form. Please note that there should be a segregation of duties; therefore, the preparer and the reviewer should not be the same individual for any tab. By typing a name, the individual is certifying that all tabs of this attachment have been reviewed, the information is both complete and accurate, and the preparer and reviewer were not the same individual for any tab.
Submission requirements	<p>Contact DOA if the agency has any problems with the files.</p> <p><u>After downloading the files, rename the spreadsheet file using the agency number followed by Att16.</u> For example, agency 151 should rename its Attachment 16.xls file as 151Att16.xls.</p> <p>Submit the Excel spreadsheet electronically to finrept-agyatt@doa.virginia.gov.</p> <p>Copy APA via e-mail to APAFinRept@apa.virginia.gov.</p> <p>Do <u>not</u> submit paper copies of the Excel attachment.</p>

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Comptroller's Directive No. 3-07
Attachment 16
GASBS No. 38 – Short-term Debt

**Attachment
revisions**

If attachment revisions are made subsequent to DOA acknowledgement of receipt and acceptance of the original attachment submission, **resubmit the revised attachment AND complete the [Revision Control Log](#) tab in the attachment excel file.**

Enter the revision date, row number and column letter revised, and the previous and revised information. Document text changes and numerical changes. Only enter changes for amounts actually keyed. For example, if a non-keyed, calculated total changes as a result of the revision, this does not need to be documented on the Revision Control Log.

If the attachment is revised more than once, do not delete control log revision information from the previous revision. Enter the new revision date and the additional revisions in the rows following the initial revision rows. This log should document all revisions from the initial attachment submission.

Each time a revision is submitted the [Certification](#) tab should be updated with new signatures and dates.

Comptroller's Directive No. 3-07
Attachment 17
Insurance Recoveries

Purpose ***GASBS No. 42, Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries***, requires insurance recoveries to be reflected in fund statements. Recoveries must be recorded as “other financing resources” or “extraordinary items” in governmental funds. For government-wide reporting, these recoveries must be classified as program revenue or extraordinary items. **If the insurance recovery relates to a capital asset permanently impaired during fiscal year 2007, Attachment 13A must also be completed.**

Applicable agencies All Agencies that received insurance recoveries during fiscal year 2007 that were not included on financial statement template (Attachments 8-11).

Due date **August 16, 2007**

Certification The **Certification** tab is new for FY 2007, and it requires all preparers and reviewers to type their name on this form. Please note that there should be a segregation of duties; therefore, the preparer and the reviewer should not be the same individual for any tab. By typing a name, the individual is certifying that all tabs of this attachment have been reviewed, the information is both complete and accurate, and the preparer and reviewer were not the same individual for any tab.

Submission requirements Contact DOA if the agency has any problems with the files.

After downloading the files, rename the spreadsheet file using the agency number followed by Att17. For example, agency 151 should rename its Attachment 17.xls file as 151Att17.xls.

Submit the Excel spreadsheet electronically to
finrept-agvatt@doa.virginia.gov

Copy APA via e-mail to APAFinRept@apa.virginia.gov.

Do not submit paper copies of the Excel attachment.

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Comptroller's Directive No. 3-07

Attachment 17

Insurance Recoveries

Attachment revisions

If attachment revisions are made subsequent to DOA acknowledgement of receipt and acceptance of the original attachment submission, **resubmit the revised attachment AND complete the Revision Control Log tab in the attachment excel file.**

Enter the revision date, applicable excel file tab name, row number and column letter revised, and the previous and revised information. Document text changes and numerical changes. Only enter changes for amounts actually keyed. For example, if a non-keyed, calculated total changes as a result of the revision, this does not need to be documented on the Revision Control Log.

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Each time a revision is submitted the **Certification** tab should be updated with new signatures and dates.

Overview of Requirements

Insurance Recoveries: Insurance recoveries should be recorded in CARS with a revenue source of 09998. Insurance recoveries should be recorded as an Other Financing Source or Extraordinary Item in the fund statements and as Program Revenue (Operating or Capital) or Extraordinary Item in the Govt-wide Statements.

Definitions

Extraordinary Items are both unusual in nature and infrequent in occurrence. In other words, they would possess a high degree of abnormality and are clearly unrelated to typical activities of your entity and are not reasonably unexpected to recur in the environment in which your entity operates. Items that are extraordinary for one entity may not be for another due to location, business type, etc.

Continued on next page

Comptroller's Directive No. 3-07
Attachment 17
Insurance Recoveries

**Specific
Instructions:
TAB1-Survey**

Part 1)

Did the agency recognize any insurance recoveries during fiscal year 2007?

Note: This includes current year insurance recoveries for capital assets impaired in prior years. It also includes all other insurance recoveries. (i.e. recoveries for embezzlement of cash, theft, etc.). Insurance recoveries should be recorded as an Other Financing Source or an Extraordinary Item in the governmental fund statements and as program revenue-operating grants & contributions, program revenue-capital grants & contributions, or extraordinary item in the government-wide statements. If an agency recognized insurance recoveries during fiscal year 2007, Part 2 and Tab 2-**Insurance Recoveries** must be completed.

If Yes, complete part 2 of TAB 1 and TAB 2-**Insurance Recoveries**

Part 2)

As of June 30, 2007, did the agency have an event or change in circumstances that may indicate impairment of capital assets as described in **GASBS No. 42**?

If Yes, complete attachment 13A.

**Specific
Instructions:
TAB 2-
Insurance
Recoveries**

Indicate the source that provided the insurance proceeds, the CARS fund/fund detail/GLA and revenue source code or expenditure refund coding that proceeds were recorded in at June 30, date proceeds were received, amount of proceeds, and a description of the event.

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Comptroller's Directive No. 3-07
Attachment 18
Internal Service Funds – Conversion to Government-wide Statement of Activities

Purpose

GASBS No. 34 states that internal activity and balances should be eliminated from the Government-wide Statement of Activities. This elimination should remove the “doubling-up” effect of reporting the original disbursement activity in the paying funds and in the internal service fund. The following spreadsheets have been developed to eliminate the internal activity. They are as follows:

- Summary of Revenue by State Agency – Internal Activity (Part 1)
- Summary of Revenue by External Party – (Part 2)
- Schedule to Eliminate the Effect of Internal Service Fund Activity for the Government-wide Statement of Activities (Part 3)
- Control Sheet (Part 4)
- Revision Control Log

Note: Part 3 follows exercise #4 on pages 224 – 231 in the 1st Implementation Guide for **GASBS No. 34**. It would be helpful to review this exercise before completing Parts 1 to 3. This attachment is similar to the prior year’s Attachment 17.

Due date

August 23, 2007

Certification

The **Certification** tab is new for FY 2007, and it requires all preparers and reviewers to type their name on this form. Please note that there should be a segregation of duties; therefore, the preparer and the reviewer should not be the same individual for any tab. By typing a name, the individual is certifying that all tabs of this attachment have been reviewed, the information is both complete and accurate, and the preparer and reviewer were not the same individual for any tab.

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Comptroller's Directive No. 3-07
Attachment 18
Internal Service Funds – Conversion to Government-wide Statement of Activities

Applicable agencies

This attachment is applicable to the following agencies and their internal service funds. *Each agency will need to complete a separate attachment for each internal service fund.*

<i>Agency</i>	<i>Fund</i>
Department of General Services	Fleet Management Property Management - Real Estate Services, Maintenance & Repair General Services - Virginia Distribution Center, Consolidated Laboratory, Graphic Communications, Federal Surplus Property, State Surplus Property, Engineering Services
Department of Human Resource Management	Workers Compensation Health Insurance Fund
Department of the Treasury	Risk Management
Virginia Correctional Enterprises	All
Virginia Information Technologies Agency	Aggregate all internal service funds.

Continued on next page

Comptroller's Directive No. 3-07
Attachment 18
Internal Service Funds – Conversion to Government-wide Statement of Activities

Submission requirements

Contact DOA if the agency has any problems with the files.

After downloading the file, rename the spreadsheet file using the agency number followed by the internal service acronym followed by Att18. For example, the Department of General Service's (agency 194) Fleet Management fund, should rename its Attachment 18.xls file as DGS-Fleet Management-Att18.xls.

Submit the Excel spreadsheet electronically to finrept-agyatt@doa.virginia.gov.

Copy APA via e-mail to APAFinRept@apa.virginia.gov.

Do not submit paper copies of the Excel attachment.

Attachment revisions

If attachment revisions are made subsequent to DOA acknowledgement of receipt and acceptance of the original attachment submission, **resubmit the revised attachment AND complete the [Revision Control Log](#) tab in the attachment excel file.**

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Comptroller's Directive No. 3-07
Attachment 18
Internal Service Funds – Conversion to Government-wide Statement of Activities

Overview

A Government-wide Statement of Activities **MUST** be presented in the Commonwealth's CAFR. Internal service fund agencies are not required to prepare a Statement of Activities. Therefore, the Financial Reporting Unit must obtain information to convert the Statement of Revenues, Expenses, and Changes in Fund Net Assets to the Government-wide Statement of Activities format. Internal activity must be eliminated. This elimination should remove the "doubling-up" effect of reporting the original disbursement activity in the paying funds and in the internal service fund. In summary, this conversion requires the following:

- Only external and non-program activity must be reported as revenues and expenses or transfers on the Government-wide Statement of Activities.
- The residual amount of Change in Net Assets after excluding the external and non-program activity must be allocated back to the government-wide functions. The percentages for the allocation will be based on the amount of internal revenue by State agency divided by total internal revenue. Each state agency will be assigned a function based on the nature of the agency or the agency's enterprise funds. Below is a listing of the government-wide functions:

Governmental:

- General Government
- Education
- Transportation
- Resources and Economic Development
- Individual and Family Services
- Administration of Justice

Business-type:

- State Lottery (Agency 172)
- Virginia College Savings Plan (Agency 174 – Virginia Prepaid Education Program only)
- Unemployment Insurance (Agency 182, Fund 0700)
- Alcoholic Beverage Control (Agency 999)
- Local Choice (Agency 149, Fund 0520)
- Other (other enterprise funds not listed)

Continued on next page

Comptroller's Directive No. 3-07
Attachment 18
Internal Service Funds – Conversion to Government-wide Statement of Activities

External activity

Some examples of external parties include localities, corporations, and other non-state organizations. The following State agencies / institutions are considered an external party because they are either a discrete component unit, related organization, or State agency with primarily fiduciary funds.

- Higher Education Institutions (various agency codes)
- Institute for Advanced Learning and Research (agency #885)
- Innovative Technology Authority (agency #934)
- New College Institute (agency #938)
- Roanoke Higher Education Authority (agency #935)
- Southern Virginia Higher Education Center (agency #937)
- Southwest Virginia Higher Education Center (agency #948)
- Virginia College Building Authority (agency #941)
- Small Business Financing Authority (agency #325 - funds 0243, 0900, 0901, 0921, 0930, 0957)
- Tobacco Indemnification and Community Revitalization Commission (agency #851)
- Virginia Baseball Stadium Authority (agency #854)
- Virginia College Savings Plan (Virginia Education Savings Trust and College America)
- Virginia Economic Development Partnership (agency #310)
- Virginia Land Conservation Foundation (agency 199 - fund 0918)
- Virginia Port Authority (agency #407)
- Virginia Retirement System (agency # 158 - all funds)
- Virginia Tobacco Settlement Foundation (agency #852)
- Virginia Tourism Authority (agency #320)

Internal activity

Internal parties are most State agencies **except** for Higher Education institutions, other discrete component units, related organizations, and agencies with primarily fiduciary funds.

Continued on next page

Comptroller's Directive No. 3-07
Attachment 18
Internal Service Funds – Conversion to Government-wide Statement of Activities

**Spreadsheet
instructions for
internal activity
(part 1)**

In order to identify the internal activity that must be eliminated from the CAFR, follow these instructions.

Note: This spreadsheet has listed the State agencies that are considered internal parties and their functions. This spreadsheet is sorted in agency # order.

<i>Step</i>	<i>Action</i>
-	Record the contact information, including the fund's (or agency's) vendor ID. A separate spreadsheet must be prepared for each internal service fund specifically identified on Instructions – Page 1.
1	<p>Record the amount of revenue that has been reported on the Statement of Revenues, Expenses, and Changes in Fund Net Assets template that was received and / or will be received (receivable) from each internal party.</p> <p><u>Note:</u> Some agencies are completely business-type agencies. Other agencies have one or more funds that are business-type. Agencies that have governmental and business-type activity are listed on the spreadsheet twice. One line item is to report revenue received from the governmental funds of the agency. The second line item is to report revenue received from the business-type funds of the agency.</p>
2	The percentages on the worksheet are automatically calculated by a formula (internal activity revenue by agency / total internal activity revenue). After all amounts have been keyed in, the total of the percentage column should equal 100%.
3	Record the amount that is included in Step 1 that is also included in the receivable amount reported on the Statement of Net Assets template from each internal party.

Continued on next page

Comptroller's Directive No. 3-07
Attachment 18
Internal Service Funds – Conversion to Government-wide Statement of Activities

Spreadsheet instructions for internal activity (part 1), continued

Calculation of Percentages by Function:

After all information has been entered for Part 1, this information needs to be copied to another spreadsheet to sort and subtotal by function. Below are suggestions for calculating this information. This new spreadsheet does not have to be sent to DOA. Retain for the Auditor of Public Accounts to review.

-	<p>Copy the rows of information as follows:</p> <ul style="list-style-type: none">• Highlight the header row and rows of information.• Use the edit / copy / paste special / values menu item to copy the information to a new spreadsheet. <p>Note: The paste special / values menu item allows the cells to be copied as values rather than formulas.</p> <ul style="list-style-type: none">• Use the data / sort menu item to sort the spreadsheet by the function column.• Use the data / subtotal menu item to get subtotals for the revenue column and percentage column. The subtotals should be for the following functions: <p>Governmental: General Government Education Transportation Resources and Economic Development Individual and Family Services Administration of Justice</p> <p>Business-type: State Lottery Virginia College Savings Plan Unemployment Insurance Alcoholic Beverage Control Local Choice Other</p> <p>Note: These percentages will be used in Part 3, Step 6 (see Instructions – Page 9). Maintain this documentation for the Auditor of Public Accounts to review.</p>
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Comptroller's Directive No. 3-07
Attachment 18
Internal Service Funds – Conversion to Government-wide Statement of Activities

**Spreadsheet
instructions for
external
activity (part 2)**

In order to identify the external activity that must be recorded in the Government-wide Statement of Activities, follow these instructions.

Note: This spreadsheet has listed the State agencies that are considered external because they are either a discrete component unit, related organization, or a State agency with primarily fiduciary funds. This spreadsheet is sorted by Agency # under each change in function.

<i>Step</i>	<i>Action</i>
-	Contact information is linked from the “internal activity” tab (part 1).
1	Beginning at row 85, record the name of other external parties that are not considered State agencies. <u>Note:</u> HIF should report Retiree premiums here. <u>Note:</u> Revenues from localities can be combined into one amount.
2	Record the amount of revenue that has been reported on the Statement of Revenues, Expenses, and Changes in Fund Net Assets that was received and / or to be received (receivable) from each external party.
3	This cell is a formula that calculates the total amount of external revenue by function and total external activity revenue. This amount will also be recorded in Part 3, Step 4 (see Instructions – Page 9).

Continued on next page

Comptroller's Directive No. 3-07
Attachment 18
Internal Service Funds – Conversion to Government-wide Statement of Activities

Spreadsheet instructions for conversion to government-wide statement of activities (part 3)

In order to convert the Statement of Revenues, Expenses, and Changes in Fund Net Assets to the Government-wide Statement of Activities, follow these instructions. Also, the 1st Implementation Guide for **GASBS No. 34**, exercise 4 on pages 224-231 gives an example for completing this spreadsheet.

<i>Step</i>	<i>Action</i>
-	Contact information is linked from the “internal activity” tab (part 1).
1	Record the total “Change in Net Assets” from the Statement of Revenues, Expenses, and Changes in Fund Net Assets template.
2	Record activity that corresponds to non-operating line items. This activity will be excluded from the amount to be allocated to the program line items in step 6. Therefore, revenue items are shown as a negative amount (subtract from the “Change in Net Assets”) and disbursement items are shown as a positive amount (add back to the “Change in Net Assets”).
3	This cell subtotals the amounts from steps 1 and 2. It is a formula. This subtotal represents the amount that must be assigned to functions.
4	<p>Record expenses from external activity by function. The external revenue amounts are linked from Part 2. External activity includes revenue from external parties and the related expenses. This activity will be excluded from the amount to be allocated to the program line items in step 6. Therefore, revenue is shown as a negative (subtract from the “Change in Net Assets”) and expenses are shown as a positive line item (add back to the “Change in Net Assets”).</p> <p>The external activity revenue amount is determined in Part 2. The expenses related to these revenues must be determined. One way to calculate expenses is to take the external activity revenue amount less the markup % amount. For example, if total external sales are \$99,000 and the markup % is 10%, then the expenses would be \$90,000. Each agency must document how these expenses are determined and maintain that documentation for the Auditor of Public Accounts to review.</p>

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Comptroller's Directive No. 3-07
Attachment 18
Internal Service Funds – Conversion to Government-wide Statement of Activities

Spreadsheet instructions for conversion to government-wide statement of activities (part 3),
continued

<i>Step</i>	<i>Action</i>
5	This cell is a formula and subtotals the amounts from steps 3 and 4. This subtotal represents the amount that must be allocated among the Commonwealth's programs.
6	Enter the allocation percentages as determined in Part 1 on Instructions – Page 6. The spreadsheet has a formula to calculate the amount to allocate to each of the functions.
7	Step 7 automatically populates the amounts placed into steps 2 and 4. For step 7 though, revenues are shown as positive amounts and expenses are shown as negative amounts.
8	Step 8 automatically populates the amounts allocated to the functions from step 6.
9	<p>Answer yes or no to the three questions on page 2 of this spreadsheet.</p> <ul style="list-style-type: none">• The Change in Net Assets in Step 1 should equal the Change in Net Assets on the Statement of Revenues, Expenses, and Changes in Fund Net Assets.• The total allocation amounts in the governmental activities plus the business-type activities columns should equal the change in net assets recorded in step 1.• The total of the percentages in step 6 should equal 100%. <p>If these amounts do not agree, investigate differences and revise the spreadsheet as deemed necessary to bring the amounts into agreement.</p>

Spreadsheet
instructions for
control sheet
(part 4)

Complete Control Sheet (Part 4). This worksheet is self-explanatory.

Comptroller's Directive No. 3-07
Attachment 19
Management Discussion and Analysis

Purpose	<p>The Commonwealth must present Management Discussion and Analysis (MD&A) in the CAFR as required supplementary information. DOA must analyze significant activity in selected funds and incorporate this information into the MD&A section of the CAFR.</p> <p>When finalized, the MD&A section should provide an objective and easily readable analysis of the Commonwealth's financial activities based on any currently known facts, decisions, or conditions. Agencies' responses to the specific questions identified and communicated by DOA will enable DOA to prepare the MD&A Section.</p> <p>This attachment is similar to prior year's Attachment 25.</p>
Applicable agencies	<p>DOA will analyze year-end balances and notify affected agencies in a separate communication.</p>
Due date	<p>August 23, 2007</p>
Certification	<p>The Certification is new for FY 2007, and it requires all preparers and reviewers to type their name on the submission. Please note that there should be a segregation of duties; therefore, the preparer and the reviewer should not be the same individual. By typing a name, the individual is certifying that this submission has been reviewed, the information is both complete and accurate, and the preparer and reviewer were not the same individual.</p>
Submission requirements	<p>Submit the MD&A submission electronically to finrept-agyatt@doa.virginia.gov.</p> <p>Copy APA via e-mail to APAFinRept@apa.virginia.gov.</p> <p>Do <u>not</u> submit paper copies of the narrative.</p>
Revisions	<p>If revisions are made after DOA accepts the MD&A submission, submit a new document that highlights the revisions. The new document should also denote the revision date.</p> <p>Each time a revision is submitted the Certification tab should be updated with new signatures and dates.</p>

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Comptroller's Directive No. 3-07
Attachment 20
Receivables as of June 30

Purpose

This attachment is to determine the receivables information for proper reporting in the CAFR fund statements and government-wide statements. This attachment is similar to prior year's Attachment 18.

For reporting nonexchange transactions, follow guidelines outlined in **GASBS No. 33** and **GASBS No. 36**. Also see the **GASBS No. 33 Nonexchange Transactions Overview** section in this Directive.

Applicable agencies

Agencies that do not include ALL receivable balances on either financial statement templates or supplemental information.

Exemptions: The following agencies provide supplemental information for all receivables and do not need to submit this attachment.

- Department of Transportation
 - Department of Taxation
-

Due date

August 30, 2007

Certification

The **Certification** tab is new for FY 2007, and it requires all preparers and reviewers to type their name on this form. Please note that there should be a segregation of duties; therefore, the preparer and the reviewer should not be the same individual for any tab. By typing a name, the individual is certifying that all tabs of this attachment have been reviewed, the information is both complete and accurate, and the preparer and reviewer were not the same individual for any tab.

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Comptroller's Directive No. 3-07
Attachment 20
Receivables as of June 30

**Submission
requirements**

Contact DOA if the agency has any problems with the files.

After downloading the files, rename the spreadsheet file using the agency number followed by Att20. For example, agency 151 should rename its Attachment 20.xls file as 151Att20.xls.

Submit the Excel spreadsheet electronically to
finrept-agvatt@doa.virginia.gov.

Copy APA via e-mail to APAFinRept@apa.virginia.gov.

Do not submit paper copies of the Excel attachment.

**Attachment
revisions**

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Enter the revision date, applicable excel file tab name, row number and column letter revised, and the previous and revised information. Document text changes and numerical changes. Only enter changes for amounts actually keyed. For example, if a non-keyed, calculated total changes as a result of the revision, this does not need to be documented on the Revision Control Log.

If the attachment is revised more than once, do not delete control log revision information from the previous revision. Enter the new revision date and the additional revisions in the rows following the initial revision rows. This log should document all revisions from the initial attachment submission.

Each time a revision is submitted the **[Certification](#)** tab should be updated with new signatures and dates.

Other issues

Certain agencies, such as DOE and DSS, record accounts payable at year-end for program expenditures made to or incurred in political subdivisions. In many instances these programs are jointly funded by a predetermined percentage of state and federal funds. When any such payments are made, the agency must ensure that it records accounts receivables for the earned matching amount not yet drawn down from the other financing source.

Continued on next page

Comptroller's Directive No. 3-07
Attachment 20
Receivables as of June 30

**Spreadsheet
instructions**

The following table provides guidance on the completion of each agency's receivable information.

Step	Action
-	<p>Record the contact information specified on the spreadsheet tab</p> <p>Note: A control agency can use this spreadsheet to report all amounts for agencies under its control. In most cases the control agency is the same as the agency #; however, some control agencies have various agencies under its control. Also, remember to exclude IAT receivables on the Expenditure Receivables, Revenue Receivables, and Loans Receivable tabs.</p> <p>Indicate whether information is recorded on CARS on the applicable spreadsheet tabs. Complete the CARS tab as instructed.</p>
1	<p>Enter the agency # on the Expenditure Receivables, Revenue Receivables, and Loan Receivables tabs (as applicable).</p>
2	<p>Enter the fund / fund detail on the Expenditure Receivables, Revenue Receivables, and Loans Receivable tabs (as applicable). This should be entered as a numeric field. When fund / fund detail 0222 is entered as a numeric field, it will show on the spreadsheet as 222.</p> <p>Note: If a single quote is entered before the number to make it a text field, a message will indicate that the value entered is not valid.</p>

Continued on next page

Comptroller's Directive No. 3-07
Attachment 20
Receivables as of June 30

Spreadsheet instructions: (Continued)

Step	Action
3	<p>If the receivable relates to an expenditure (i.e. expenditure refund), select the receivable's functional code on the Expenditure Receivables or the Loans Receivable tab (as applicable). This does not have to be entered. A drop-down list is available. Click on the cell, click on the arrow, and click on the function. The expenditure function must correspond to the expenditure function the receivable will be coded to when received. Functional codes are the first number in every service area. For example, service area 1031000 "Community Services" would fall under the "Education" function. Each functional code and its corresponding description are below.</p> <p>1-Education 3-Administration of Justice 4-Individual and Family Services 5-Resources and Economic Development 6-Transportation 7-General Government 8-Enterprises 9-Capital Outlay</p>
4	<p>Provide a description of the receivable reported in steps 9 and 12.</p>
5	<p>Indicate whether payments that will be received on this receivable will be recorded on CARS as a credit to revenue source code (RSC) 09084 – (Refund – exp and misc. disbursements made prior years), or as a credit to expenditure or expenditure refunds.</p> <p>Note: Agencies are reminded that the recovery of expenditures relating to a prior fiscal year shall be recorded as revenue using revenue source code 09084. Expenditure credits are appropriate only if the expenditure occurred in the same fiscal year as the recovery.</p>

Continued on next page

Comptroller's Directive No. 3-07
Attachment 20
Receivables as of June 30

Spreadsheet instructions: (Continued)

Step	Action
6	<p>Complete steps 6 – 8 for receivables that relate to a revenue item. Record the revenue class to which the receivable will be coded when received on the Revenue Receivables or the Loans Receivable tab (as applicable). The majority of revenue received from federal reimbursable grants should be included. The CAPP Manual, Topic No. 60109 defines a revenue class as the primary designation of revenue source within the revenue source structure. This does not have to be entered. A drop-down list is available. Click on the cell, click on the arrow, scroll down and click on the appropriate revenue class.</p> <p>01-Taxes 02-Rights & Privileges 03-Sales of Property 04-Private Donations 05-Assessments 06-Institutional Revenues 07-Interest, Dividends, & Rents 08-Fines, Forfeitures 09-Other 10-Federal Grants (source codes 10000 – 99999) 42-Receipts from Cities / Counties (042XX)</p>
7	<p>Record the 5-digit revenue source code the receivable will be recorded as when received. This must be entered as a numeric field. When revenue source code 09060 is entered as a numeric field, it will show on the spreadsheet as 9060.</p>
8	<p>Record the <u>GASBS No. 34</u> revenue classification. This does not have to be entered. A drop-down list is available. Click on the cell, click on the arrow, and click on the function. See the next page for a listing of the classifications.</p> <p>Note: See the <u>GASBS No. 34 Government-wide Revenue Classification Table</u> on DOA's website at www.doa.virginia.gov for the classification based on agency #, Fund / Fund detail #, and source code. Click on the "Financial Reporting" link, then click on "Financial Statement Directives."</p>

Continued on next page

Comptroller's Directive No. 3-07
Attachment 20
Receivables as of June 30

Spreadsheet instructions: (Continued)

Step	Action
8 (con- tinued)	<p>GR-Taxes</p> <p>GR-Investment earnings</p> <p>GR-Grants/Cont. not restricted to S. P.</p> <p>GR-Miscellaneous</p> <p>Endowments/Permanent Fund Principal</p> <p>PR-Chgs/1-Education</p> <p>PR-Chgs/3-Administration of Justice</p> <p>PR-Chgs/4-Individual and Family Services</p> <p>PR-Chgs/5-Resources and Economic Develop</p> <p>PR-Chgs/6-Transportation</p> <p>PR-Chgs/7-General Government</p> <p>PR-Chgs/8-Enterprise</p> <p>PR-Oper/1-Education</p> <p>PR-Oper/3-Administration of Justice</p> <p>PR-Oper/4-Individual and Family Services</p> <p>PR-Oper/5-Resources and Economic Develop</p> <p>PR-Oper/6-Transportation</p> <p>PR-Oper/7-General Government</p> <p>PR-Oper/8-Enterprise</p> <p>PR-Cap/1-Education</p> <p>PR-Cap/3-Administration of Justice</p> <p>PR-Cap/4-Individual and Family Services</p> <p>PR-Cap/5-Resources and Economic Develop</p> <p>PR-Cap/6-Transportation</p> <p>PR-Cap/7-General Government</p> <p>PR-Cap/8-Enterprise</p> <p>Not Applicable – Fiduciary Fund</p> <p>Below is a crosswalk of the acronyms:</p> <p>GR – General Revenues</p> <p>Cont. – Contributions</p> <p>S. P. – Specific Program</p> <p>PR – Program Revenue (These are followed by a function)</p> <p>Charges – Charges for Goods / Services</p> <p>Oper – Operating Grants and Contributions</p> <p>Cap – Capital Grants and Contributions</p>

Continued on next page

Comptroller's Directive No. 3-07
Attachment 20
Receivables as of June 30

Spreadsheet instructions: (Continued)

Step	Action
9-11	These steps are to record receivables as of June 30, 2007 that will be received between July 1, 2007 and August 31, 2007 .
9	<p>Record the amount of the gross receivable. Round to the nearest dollar. Gross amounts should be keyed as a positive.</p> <p>For example, an agency has \$100 in gross receivables. The agency would record \$100 for this step.</p>
10	<p>Record the amount of the allowance related to the gross receivable amount recorded in step 9. An allowance is management's estimate of the amount of gross receivables which will be or prove to be uncollectible. Round to the nearest dollar. Allowance amounts should be keyed as a negative.</p> <p>For example, the agency has determined that \$25 of the \$100 is uncollectible. The agency would record a negative \$25 for this step.</p>
11	<p>This column is automatically calculated. It is the gross amount less the allowance amount to show the net receivable amount.</p> <p>From the previous examples, this would be \$75.</p>

Continued on next page

Comptroller's Directive No. 3-07
Attachment 20
Receivables as of June 30

Spreadsheet instructions: (Continued)

Step	Action
12-14	These steps are to record the additional receivables as of June 30, 2007 that will be received after August 31, 2007 .
12	<p>Record the amount of the gross receivable. Round to the nearest dollar. Gross amounts should be keyed as a positive.</p> <p>For example, an agency has additional gross receivables of \$300 that will be collected after August 31, 2007. The agency would record \$300 for this step.</p>
13	<p>Record the amount of the allowance related to the gross receivable amount recorded in step 12. An allowance is management's estimate of the amount of gross receivables which will be or prove to be uncollectible. Round to the nearest dollar. Allowance amounts should be keyed as a negative.</p> <p>For example, the agency has determined that \$75 of the \$300 is uncollectible. The agency would record a negative \$75 for this step.</p>
14	<p>This column is automatically calculated. It is the gross amount less the allowance amount to show the net receivable amount.</p> <p>From the previous example this would be \$225.</p>
15	<p>Record the amount of the gross receivable and the amount of the allowance reported in steps 12 and 13 that will be received after June 30, 2008 (noncurrent).</p> <p><u>GASBS No. 34</u> requires the separate disclosure of noncurrent assets. Per the CAAP Manual section 20505, these receivables are defined as:</p> <p>“That portion of a receivable, which is not a current asset because that portion is <u>due and payable beyond one year</u>. Examples may include, but are not limited to, long-term loans and notes, and permanent travel advances (not reflected in CARS petty cash or travel advance accounts).”</p>

Continued on next page

Comptroller's Directive No. 3-07
Attachment 20
Receivables as of June 30

**Final
instructions**

Ensure the totals on the spreadsheets (the totals are automatically calculated at the top of those spreadsheets) are accurate.

Complete the **CARS** tab, if applicable. Any items listed on the **Expenditure, Revenue**, and / or **Loans Receivable** tabs that are also reported on CARS as of June 30 must be reported on the **CARS** tab.

Complete the **Reconciliation** tab. Record receivable amounts in total that are not already reported on the **Expenditure, Revenue**, and / or **Loans Receivable** tabs. This would include interagency receivables, travel advances, petty cash, and other receivables. Also, amounts already reported to DOA on a financial statement template or via supplemental information should be recorded. After all amounts are entered, record the net receivable amount reported on the Quarterly Receivable Report. There should be no difference between the total net receivable amount reported on the attachment and the amount reported on the Quarterly Receivable Report. If a difference is noted, revise amounts on the attachment as needed for amounts to agree. If the difference is because of an error reported on the quarterly Receivable Report, contact DOA to explain the error.

Review the **Receivables as of June 30** tab and complete the variance explanations, if required.

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Comptroller's Directive No. 3-07
Attachment 21
Schedule of Retainage Payable

Purpose

To obtain the amount of retainage payable as of June 30, 2007. Retainage payable is the amount due on a contract not yet paid pending final inspection of the project or the lapse of a specified period or both. The unpaid amount is usually a stated percentage of the contract price. This attachment is similar to prior year's Attachment 19. Please note the following when completing the attachment:

- **Include retainage payable related to VPBA activity recorded in funds 0820 and 0821.**
 - **Omit retainage payable related to any other VPBA activity, as it will be reported by the Department of Treasury on the VPBA financial statements.**
 - **Omit retainage payable related to Energy Performance Contracts.**
-

Applicable agencies

Agencies that have retainage payable outstanding as of June 30, 2007, and the retainage payable is not included in the agency's financial statement templates. Do not include anything reported in **Attachment 4, Energy Performance Contracts**.

Due date

August 30, 2007

Certification

The **Certification** tab is new for FY 2007, and it requires all preparers and reviewers to type their name on this form. Please note that there should be a segregation of duties; therefore, the preparer and the reviewer should not be the same individual for any tab. By typing a name, the individual is certifying that all tabs of this attachment have been reviewed, the information is both complete and accurate, and the preparer and reviewer were not the same individual for any tab.

Submission requirements

Contact DOA if the agency has any problems with the files.

After downloading the files, rename the spreadsheet file using the agency number followed by Att21. For example, agency 151 should rename its Attachment 21.xls file as 151Att21.xls.

Submit the Excel spreadsheet electronically to finrept-agyatt@doa.virginia.gov.

Copy APA via e-mail to APAFinRept@apa.virginia.gov.

Do not submit paper copies of the Excel attachment.

Continued on next page

Comptroller's Directive No. 3-07
Attachment 21
Schedule of Retainage Payable

**Attachment
revisions**

If attachment revisions are made subsequent to DOA acknowledgement of receipt and acceptance of the original attachment submission, **resubmit the revised attachment AND complete the Revision Control Log tab in the attachment excel file.**

Enter the revision date, applicable excel file tab name, row number and column letter revised, and the previous and revised information. Document text changes and numerical changes. Only enter changes for amounts actually keyed. For example, if a non-keyed, calculated total changes as a result of the revision, this does not need to be documented on the Revision Control Log.

If the attachment is revised more than once, do not delete control log revision information from the previous revision. Enter the new revision date and the additional revisions in the rows following the initial revision rows. This log should document all revisions from the initial attachment submission.

Each time a revision is submitted the **Certification** tab should be updated with new signatures and dates.

Functions

Functional codes are the first number in every service area. For example, service area code 1031000 "Community Services" would fall under the "Education" function. Each functional code and its corresponding description are below.

- 1-Education
 - 3-Administration of Justice
 - 4-Individual and Family Services
 - 5-Resources and Economic Development
 - 6-Transportation
 - 7-General Government
 - 8-Enterprise
 - 9-Capital Outlay Projects
-

**Additional
instructions**

A fluctuation analysis is required for variances greater than 10% AND \$1.5 million over / under prior year amounts. Ensure that these variances are fully explained in the space provided.

Comptroller's Directive No. 3-07
Attachment 22
Schedule of Cash, Cash Equivalents, and Investments at June 30

Purpose

This attachment is used to gather uniform financial reporting information for CAFR footnote disclosures required by **GASBS No. 3**, *Deposits with Financial Institutions, Investments (including Repurchase Agreements), and Reverse Repurchase Agreements*, as amended by **GASBS No. 40**, *Deposits and Investment Risk Disclosures*. This attachment is similar to prior year's Attachment 20.

Due Date

August 30, 2007

Certification

The **Certification** tab is new for FY 2007, and it requires all preparers and reviewers to type their name on this form. Please note that there should be a segregation of duties; therefore, the preparer and the reviewer should not be the same individual for any tab. By typing a name, the individual is certifying that all tabs of this attachment have been reviewed, the information is both complete and accurate, and the preparer and reviewer were not the same individual for any tab.

Applicable agencies

Agencies as specified in Supplemental Information.

All other agencies and funds (other than what is being reported for the financial statement templates) that have cash, cash equivalents, or investments not with Treasurer must complete the following tab:

- **Detail** tab of the Excel attachment.
- The Department of Corrections must aggregate central office and all facilities using 701.
- The Department of Mental Health, Mental Retardation, and Substance Abuse Services must aggregate central office and all facilities using 720.
- The Supreme Court of Virginia must aggregate agencies 103, 111, 112, 113, 114, 115, 116, 125, and 160 using 111. (A separate attachment must be completed for each agency that has cash, cash equivalents, or investments not with the Treasurer of Virginia).

Note: Treasury provides the Department of Accounts with the investment type, maturity date, and risk category for cash equivalents and investments with the Treasurer.

Continued on next page

Comptroller's Directive No. 3-07
Attachment 22
Schedule of Cash, Cash Equivalents, and Investments at June 30

**Submission
requirements**

Contact DOA if the agency has any problems with the spreadsheets.

After downloading the files, rename the spreadsheet file using the agency number followed by Att22. For example, agency 151 should rename its Attachment 22.xls file as 151Att22.xls.

Submit the Excel spreadsheet electronically to
finrept-agvatt@doa.virginia.gov.

Copy APA via e-mail to APAFinRept@apa.virginia.gov.

Do not submit paper copies of these Excel spreadsheets.

**Attachment
revisions**

If attachment revisions are made subsequent to DOA acknowledgement of receipt and acceptance of the original attachment submission, **resubmit the revised attachment AND complete the **Revision Control Log** tab in the excel file attachment.**

Enter the revision date, applicable excel file tab name, row number and column letter revised, and the previous and revised information. Document text changes and numerical changes. Only enter changes for amounts actually keyed. For example, if a non-keyed, calculated total changes as a result of the revision, this does not need to be documented on the Revision Control Log.

If the attachment is revised more than once, do not delete control log revision information from the previous revision. Enter the new revision date and the additional revisions in the rows following the initial revision rows. This log should document all revisions from the initial attachment submission.

Each time a revision is submitted the **Certification** tab should be updated with new signatures and dates.

Recommended

It is recommended that each agency obtain copies of **GASBS No. 3**, **GASBS No. 40**, and the **GASBS No. 40** Implementation Guide for better understanding of this attachment.

Continued on next page

Comptroller's Directive No. 3-07
Attachment 22
Schedule of Cash, Cash Equivalents, and Investments at June 30

As defined

Cash – the standard medium of exchange (paper currency) that must be readily available for the payment of current obligations, and it must be free from any contractual restriction that limits its use in satisfying debts.

Cash Equivalents – instruments or investments of such high liquidity (original maturity of 90 days or less) and low risk that they are virtually as good as cash. Examples are a nonnegotiable certificate of deposit, money market fund, Treasury bill, and monies in the State Non-Arbitrage Program (SNAP). Whether an asset is a cash equivalent is determined only once based on the length of the original maturity when the asset is first acquired.

Investments – securities and other assets acquired primarily for the purpose of obtaining income or profit with an original maturity greater than 90 days. This includes securities, which are transferable financial instruments that evidence ownership or creditorship.

Security – generally, an instrument evidencing debt of or equity in a common enterprise in which a person invests on the expectation of financial gain. The term includes notes, stocks, bonds, debentures or other forms of negotiable and nonnegotiable evidences of indebtedness or ownership.

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Comptroller's Directive No. 3-07
Attachment 22
Schedule of Cash, Cash Equivalents, and Investments at June 30

**Directions for
the Detail tab**

Below are instructions as to the proper completion of the **Detail** tab in the Excel spreadsheet. **Amounts reported on the Detail tab should exclude any amounts reported on any financial statement template (Attachments 8-12).** Please follow these instructions carefully.

Part	Instruction
1a	<p>Report the agency's total cash not held with the Treasurer of VA excluding any amount reported on Attachments 8-12. If this amount is not identified in the agency's supplementary requirements, please contact DOA immediately.</p> <p>Note: Certificates of deposit (CDs) should NOT be reported as cash. CDs should be reported as cash equivalents and/or investments.</p> <p>Note: Money market funds held by financial institutions (i.e. banks, savings and loan associations, and credit unions) versus a broker / dealer (any individual or firm in the business of buying and selling securities for itself and others; broker / dealers must register with the SEC) qualify as deposits, and therefore are classified as cash instead of investments.</p>
1b	For the total cash not with the Treasurer of VA reported above, provide the total bank balance as of June 30.
1c	Provide an explanation if the reported amount is negative.

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Comptroller's Directive No. 3-07
Attachment 22
Schedule of Cash, Cash Equivalents, and Investments at June 30

Directions for the Detail tab, continued

Part	Instruction
2a	Of the amount reported in 1b above, provide the amount that is insured by federal depository insurance [for public units - only a total of \$100,000 per financial institution for interest bearing and an additional \$100,000 for non-interest bearing accounts (i.e. demand deposits) may be insured by the FDIC].
2b	Of the amount reported in 1b above, provide the amount that is covered by the Security for Public Deposits Act (Section 2.2-4400 of the <i>Code of Virginia</i>). Note: If all cash not held with the Treasurer of VA is included in 2a and 2b above, do not complete step 2c below. If not, the remaining amount should be classified in 2c below.
2c	Is any cash NOT with the Treasurer NOT covered by the FDIC or the Security for Public Deposits Act? If so, report the amount and bank balance for all applicable options below: i) Uncollateralized ii) Collateralized with securities held by the pledging financial institution iii) Collateralized with securities held by the pledging financial institution's trust department or agent but not in the depositor-government's name. The total of the amounts provided must agree to the total amount in step 1b above.
2d	Provide an explanation if the amount reported in Part 2a) is greater than \$100,000.
3	Report the amount the agency has in the Local Government Investment Pool (LGIP). Provide the LGIP account number and amount (the amount listed for each account must come from the LGIP statement). If applicable, let DOA know where the agency has these monies in CARS by providing the GLA and fund / fund detail.
4	Report the amount the agency has in the State Non-Arbitrage Program (SNAP). Provide the SNAP account number and amount (the amount listed for each account must come from the SNAP statement). If applicable, let DOA know where the agency has these monies in CARS by providing the GLA and fund / fund detail.

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Comptroller's Directive No. 3-07
Attachment 22
Schedule of Cash, Cash Equivalents, and Investments at June 30

Directions for the Detail tab, continued

Part	Instruction
5	Report the amount of cash equivalents and investments NOT held by the Treasurer of Virginia . <u>This amount should agree to the sum of all amounts in the “Reported Amount” column on the Cash Equiv. & Inv. NOT w Tr tab of the spreadsheet.</u>
6	List the total fair value of cash equivalent / investment types subject to foreign exchange risk. Foreign exchange risk is the risk of an investment’s value changing due to changes in currency exchange rates and / or the risk that an investor will have to close out a long or short position in a foreign currency at a loss due to adverse movements in exchange rates. This amount must equal the total of the fair value amount in the Foreign Currency Inv tab of the spreadsheet.
7a	The information on Cash Equiv. & Inv. Not w Tr tab should agree to the agency's audited financial statements. Any differences must be explained.
7b	DOA should be contacted for adding rows on Cash Equiv. & Inv. Not w Tr tab if additional rows are needed. All information for <u>GASBS No. 40</u> disclosure should be provided on DOA’s attachments.
8	Are any of the agency's cash equivalents or investments in debt securities not with the Treasurer of VA highly sensitive to interest rate changes? Some examples of these include a variable-rate investment with a multiplier, or a variable-rate investment with a coupon that varies inversely with a benchmark index. For further explanations of highly sensitive investments, refer to the <u>GASBS No. 40</u> Implementation Guide, questions 45 – 58. If the agency marked a “Yes”, the agency will need to provide an explanation as to why these investments are considered highly sensitive.
9	<u>GASBS No. 40</u> states it is the agency’s responsibility “to update the custodial credit risk disclosure requirements addressing other common risks of the deposits and investments of state and local governments.” With this in mind, the agency should provide a description of any other type of risk to cash, cash equivalents, and investments not covered elsewhere on this attachment.
10	Submit the agency's investment policy along with this Attachment in the e-mail to finrept-agvatt@doa.virginia.gov . This is the investment policy that will officially be on record with the Department of Accounts. If the agency does have cash, cash equivalents, and investments NOT with the Treasurer of Virginia and DOES NOT have an investment policy, the agency should provide an explanation.

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Comptroller's Directive No. 3-07
Attachment 22
Schedule of Cash, Cash Equivalents, and Investments at June 30

**Directions for
the Cash Equiv.
& Inv. NOT w
Tr tab**

According to **GASBS No. 40**, agencies that have cash equivalents and investments not with the Treasurer of Virginia will need to report more detailed information about the risk of their cash equivalents and investments. This spreadsheet requests the necessary information DOA needs to properly report this information in the CAFR.

List cash equivalent or investment by type and issuer:

In prior years, agencies had to provide information by type of cash equivalent or investment. While DOA is continuing to request this information, DOA will also need each issuer (further broken by each issue) for most cash equivalent and investment types. This information is needed to satisfy the concentration of credit risk for **GASBS No. 40**. DOA is also requesting any applicable ticker symbol **and** CUSIP number for each issue. (The ticker symbol and CUSIP number is needed to help DOA in sorting all the issuers to ensure there is no one issuer greater than 5% of net assets or plan net assets for any particular fund.)

Note: **Ginnie Mae, EXIMBANK, and SBA** are the only asset backed securities that should be included with U.S. Treasury and Agency Securities. This is because they are explicitly backed by the U.S. Government. Securities such as **Fannie Mae, Sallie Mae, and the Federal Farm Credit Banks** are **NOT** explicitly backed by the U.S. Government and should not be included in U.S. Treasury and Agency Securities.

Example: For the cash equivalent or investment type “Common and Preferred Stocks,” the agency would list each issuer such as General Electric Corp. The agency would also list their ticker symbol “GE”. Because it is an equity security, no credit quality rating would need to be given. The agency would then classify the custodial rate risk for this security.

Continued on next page

Comptroller's Directive No. 3-07
Attachment 22
Schedule of Cash, Cash Equivalents, and Investments at June 30

Directions for the Cash Equiv. & Inv. NOT w Tr tab, continued

Credit Quality Rating (AAA, BB, Unrated, etc.):

List the applicable credit quality rating. The credit quality ratings of cash equivalents and investments in debt securities (corporate bonds, corporate notes, etc) as described by nationally recognized statistical rating organizations (rating agencies) must be disclosed.

Obligations of the U.S. government or obligations **explicitly** guaranteed by the U.S. government are not considered to have credit risk and do not require disclosure of credit quality. Negotiable certificates of deposit are also exempt from credit quality ratings. Repurchase agreements are exempt from credit quality ratings **only** if the underlying security is explicitly guaranteed by the U.S. government. The credit quality ratings of external investment pools, money market funds, bond mutual funds, and other pooled investments of fixed-income securities should be disclosed. **If a credit quality disclosure is required and the investment is unrated or not rated by any rating agency, the disclosure should indicate that fact that the investment is Unrated. Under no circumstance should the rating information be left blank.**

DOA's rating drop down list in the **Cash Equiv. & Inv. NOT w Tr** tab provides standardized symbols for commonly used ratings of Standard & Poor's and Moody's. Agencies may also refer to these two rating agencies' website for standardized rating symbols if certain ratings are not included in the drop down list. **In any case, correct and standardized rating symbols provided in DOA's drop down list or specified by the rating agencies if the ratings are not in the drop down list must be used. Agencies should pay close attention to the rating symbols' letter case as a different letter case may symbolize different rating definition by different rating agencies.**

Interest rate risk (i.e. maturity) of each cash equivalent and investment:

The interest rate risk of debt investments must be disclosed by investment type and amount. DOA has selected the segmented time distribution method as outlined in **GASBS No. 40**. This requirement will require the agencies provide, by amount and issuer, the maturity of their debt investments.

Continued on next page

Comptroller's Directive No. 3-07
Attachment 22
Schedule of Cash, Cash Equivalents, and Investments at June 30

Directions for the Cash Equiv. & Inv. NOT w Tr tab, continued

GASBS No. 40 does not require separate disclosure for cash equivalents and investments. Therefore, cash equivalent and investment amounts should be listed in one of the investment column maturities (less than 1 year, 1-5 years, 6-10 years, greater than 10 years) depending on the investment securities that have maturities. Most equity type investments do not have a maturity and their total would only be reported in the “category 3” and / or “uncategorized” columns in the custodial credit risk section.

Negotiable certificates of deposit should be classified as cash equivalents or investments depending on the original maturity. Negotiable instruments are securities that are normally sold in \$1 million units and that can be traded in a secondary market. **Non-negotiable certificates** of deposit should always be reported as cash equivalents in the “Less Than 1 Year” column. Non-negotiable instruments are time deposits that are placed by depositors directly with financial institutions and that are generally subject to a penalty if redeemed before maturity.

Custodial credit risk:

Per **GASBS No. 40**, the requirement to disclose cash equivalents and investments as categories 1 and 2 is no longer necessary. These amounts should be reported in the uncategorized column. If the security, however, meets the following criteria, the security must still be reported as Category 3.

- Uninsured,
- Not registered in the name of the government, and
- Are held by either the counterparty or the counterparty’s trust department or agent

Note: Investments in external investment pools and in open-end mutual funds are not exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book entry form. Securities underlying reverse repurchase agreements are not exposed because they are held by the buyer-lender.

Continued on next page

Comptroller's Directive No. 3-07
Attachment 22
Schedule of Cash, Cash Equivalents, and Investments at June 30

Directions for the Cash Equiv. & Inv. NOT w Tr tab, continued

List the total custodial credit risk that is considered category 3 and the amount that is uncategorized (remaining amount) for each issuer. For debt securities, the total of these two columns should equal the sum of the interest rate risk columns mentioned above or an error message will appear. Equity securities (common, preferred stock, index funds, equity index and pooled funds, and real estate) will not have a maturity, and their total would only be reported in the custodial credit risk section.

Total Reported Amount:

The reported amount column will automatically total from the amounts listed as category 3 and uncategorized in the custodial credit risk columns of the spreadsheet. **An “Error” message will appear for debt securities if this amount does not agree to the sum of the interest rate risk (maturity risk) amounts entered.** The overall total of category 3 and uncategorized cash equivalents and investments must agree to the amount reported at Step 5 in the **Detail** tab of the spreadsheet. If it does not, an “Error” message will appear in the **Detail** tab.

**Directions for
the Foreign
Currency Inv
tab**

List the **fair value** of **each** cash equivalent / investment types subject to foreign exchange risk. Foreign exchange risk is the risk of an investment’s value changing due to changes in currency exchange rates and / or the risk that an investor will have to close out a long or short position in a foreign currency at a loss due to adverse movements in exchange rates. The total amount must agree to Step 6 in the **Detail** tab.

**Directions for
the Recordation
tab**

Complete this tab to ensure cash equivalents and investments not held by the Treasurer of Virginia are appropriately valued in accordance with **GASBS No. 31.**

Comptroller's Directive No. 3-07
Attachment 23
Donor-restricted Endowments

Purpose	This attachment is to identify agencies with donor-restricted endowments. This attachment is similar to prior year's Attachment 21.
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Applicable agencies	All agencies that have donor-restricted endowments.
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Due date	August 30, 2007
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Certification	The Certification tab is new for FY 2007, and it requires all preparers and reviewers to type their name on this form. Please note that there should be a segregation of duties; therefore, the preparer and the reviewer should not be the same individual for any tab. By typing a name, the individual is certifying that all tabs of this attachment have been reviewed, the information is both complete and accurate, and the preparer and reviewer were not the same individual for any tab.
----------------------	--

Submission requirements	<p>Contact DOA if the agency has any problems with the spreadsheets.</p> <p><u>After downloading the files, rename the spreadsheet file using the agency number followed by Att23.</u> For example, agency 151 should rename Attachment 23.xls as 151Att23.xls.</p> <p>Submit the Excel spreadsheet electronically to finrept-agvatt@doa.virginia.gov.</p> <p>Copy APA via e-mail to APAFinRept@apa.virginia.gov.</p> <p>Do <u>not</u> submit paper copies of this Excel spreadsheet.</p>
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Comptroller's Directive No. 3-07
Attachment 23
Donor-restricted Endowments

**Attachment
revisions**

If attachment revisions are made subsequent to DOA acknowledgement of receipt and acceptance of the original attachment submission, **resubmit the revised attachment AND complete the Revision Control Log tab in the attachment excel file.**

Enter the revision date, row number and column letter revised, and the previous and revised information. Document text changes and numerical changes. Only enter changes for amounts actually keyed. For example, if a non-keyed, calculated total changes as a result of the revision, this does not need to be documented on the Revision Control Log.

If the attachment is revised more than once, do not delete control log revision information from the previous revision. Enter the new revision date and the additional revisions in the rows following the initial revision rows. This log should document all revisions from the initial attachment submission.

Each time a revision is submitted the **Certification** tab should be updated with new signatures and dates.

**Donor-
restricted
endowments**

GASBS No. 34, paragraph 121 requires the following footnote disclosures for donor-restricted endowments:

- The amounts of net appreciation on investments of donor-restricted endowments that are available for authorization for expenditure by the governing board, and how those amounts are reported in net assets
 - The state law regarding the ability to spend net appreciation
 - The policy for authorizing and spending investment income, such as a spending-rate or total return policy
-

**Spreadsheet
instructions**

Record the contact information at the top of the spreadsheet. Follow the instructions below.

Step	Action
1	Record the donor-restricted endowment.
2	Identify the amount of net appreciation on investments that are available for authorization for expenditure by the governing board.
3A	Is the endowment listed in Step 1 and 2 reported on a Financial Statement Template (Attachments 8-12)? Enter Yes or No .

Continued on next page

Comptroller's Directive No. 3-07
Attachment 23
Donor-restricted Endowments

Spreadsheet instructions (continued)

Step	Action
3B	If Yes in Step 3A, specify the attachment number and the fund name, which can be found in the Preparation of GAAP Basis Financial Statement Template section in the Directive.
3C	If Yes in 3A, how were the amounts in Step 2 reported in net assets (restricted or unrestricted)?
3D	If No in Step 3A, provide the CARS Fund / Fund Detail.
4	Is there a State law regarding the ability to spend net appreciation? Enter Yes or No .
5	If Yes in Step 4, identify the <i>Code of Virginia</i> section. If No in Step 4, enter N/A .
6	Is there a policy for authorizing and spending investment income, such as a spending-rate or total-return policy? Enter Yes or No .
7	If Yes in Step 6, describe the policy? If No in Step 6, enter N/A .
8	Was the endowment a gift to the Commonwealth that was approved by the Governor and administered by the agency? Enter Yes or No .

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Comptroller's Directive No. 3-07
Attachment 24
GASBS No. 33 Federal Fund Analysis - Advance Funded / Block Grants

Purpose

This attachment is to analyze Federal fund nonexchange transactions for **advance funded / block grants** to determine the proper reporting in accordance with **GASBS No. 33** and **GASBS No. 36**. (Both statements will be referenced as **GASBS No. 33**.)

This attachment is only for federal REVENUE. Federal expenditures should be analyzed on Attachment 15.

This attachment is similar to prior year Attachment 22.

Applicable agencies

All agencies with **advance funded / block grants** that are **not included** in agency prepared financial statement templates.

Note: Agencies that have only reimbursement-based grants do not need to complete this attachment.

Due date

September 20, 2007

Certification

The **Certification** tab is new for FY 2007, and it requires all preparers and reviewers to type their name on this form. Please note that there should be a segregation of duties; therefore, the preparer and the reviewer should not be the same individual for any tab. By typing a name, the individual is certifying that all tabs of this attachment have been reviewed, the information is both complete and accurate, and the preparer and reviewer were not the same individual for any tab.

Submission requirements

Contact DOA if the agency has any problems with the spreadsheets.

After downloading the files, rename the spreadsheet file using the agency number followed by Att24. For example, agency 151 should rename its Attachment 24.xls file as 151Att24.xls.

Submit the Excel spreadsheets electronically to
finrept-agyatt@doa.virginia.gov.

Copy APA via e-mail to APAFinRept@apa.virginia.gov.

Do not submit paper copies of the Excel attachment.

Comptroller's Directive No. 2-07
Attachment 24
GASBS No. 33 Federal Fund Analysis - Advance Funded / Block Grants

**Attachment
revisions**

If attachment revisions are made subsequent to DOA acknowledgement of receipt and acceptance of the original attachment submission, **resubmit the revised attachment AND complete the [Revision Control Log](#) tab in the attachment excel file.**

Enter the revision date, row number and column letter revised, and the previous and revised information. Document text changes and numerical changes. Only enter changes for amounts actually keyed. For example, if a non-keyed, calculated total changes as a result of the revision, this does not need to be documented on the Revision Control Log.

If the attachment is revised more than once, do not delete control log revision information from the previous revision. Enter the new revision date and the additional revisions in the rows following the initial revision rows. This log should document all revisions from the initial attachment submission.

Each time a revision is submitted the [Certification](#) tab should be updated with new signatures and dates.

Continued on next page

Comptroller's Directive No. 3-07
Attachment 24
GASBS No. 33 Federal Fund Analysis - Advance Funded / Block Grants

**Nonexchange
transactions**

Nonexchange transactions are those transactions where a government gives (or receives) value without directly receiving (or giving) equal value in return. For additional guidance on nonexchange transactions, refer to the [GASBS No. 33 – Nonexchange Transactions Overview](#) section in this Directive and [GASBS No. 33](#), *Accounting and Financial Reporting for Nonexchange Transactions*. [GASBS No. 33](#) has guidelines for when to record revenues for nonexchange transactions. Revenues **not** meeting the recognition requirements are reclassified as deferred revenue.

DOA eliminates the ending fund balance in the CAFR Federal fund (with the exception of the fund balance for inventory and prepaid amounts).

Continued on next page

Comptroller's Directive No. 2-07
Attachment 24
GASBS No. 33 Federal Fund Analysis - Advance Funded / Block Grants

**Spreadsheet
instructions**

For **advance funded / block grants**, identify grants for which the agency met eligibility requirements defined in **GASBS No. 33**. Determine the ending fund balance for these grants.

Step	Action
-	Record the Contact Information.
-	Evaluate all advance funded / block grants as follows: did the agency meet eligibility requirements defined in <u>GASBS No. 33</u> as of June 30, 2007 for the advance funded and / or block grants received as of June 30, 2007? If Yes, complete the spreadsheet for the grant. If No, do not complete the spreadsheet for the grant. Complete the eligibility question at the top of the spreadsheet.
1	Record agency # and the fund / fund detail.
2	Record the CFDA # using XX.XXX format. Visit www.CFDA.gov for a listing of valid CFDA numbers and descriptions
3	Record the revenue source code or transfer GLA. This should be keyed as numeric; therefore, source code 09060 would be 9060.
4	If a revenue source was identified in step 3 above, then use the drop-down list to record the <u>GASBS No. 34</u> revenue classification. For proper <u>GASBS No. 34</u> government-wide revenue classification, refer to the GASBS No. 34 Government-wide Revenue Classification Table on DOA's website at www.doa.virginia.gov . Click on the "Financial Reporting" link. Then click on "Financial Statement Directives."
5	The title of the federal grant will be automatically populated based on information from Step 2.
6	Record the ending balances per CARS for this grant. This represents the sum of General Ledger Accounts (GLAs) 1xx to 4xx (Assets) and GLAs 5xx to 7xx (liabilities) excluding GLA 102 and 703 (budgetary accounts). If the fund has a cash balance, record a positive number.
7	Record total modified accrual receivables (received in July and August 2007) per Attachment 20 – Receivables as of June 30 for this grant. Record receivables as a positive number.

Continued on next page

Comptroller's Directive No. 3-07
Attachment 24
GASBS No. 33 Federal Fund Analysis - Advance Funded / Block Grants

Spreadsheet Instructions (continued)

Step	Action
8	Record the total amount of P-vouchers recorded in July and August 2007 for this grant. Record payables as a positive number. (The spreadsheet will calculate the ending balance appropriately.)
9	Record full accrual receivables (received after August 31, 2007) per Attachment 20 – Receivables as of June 30 for this grant. Record receivables as a positive number.
10	Record total other full accrual entries (paid after August 31, 2007) per Attachment 25 – Government-wide Payables and Other Accruals for this grant. Record payables as a positive number.
11	Provide a brief description of this grant including the type of grant (i.e. advance funded or block). This column is formatted as wrap text.

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Comptroller's Directive No. 3-07
Attachment 25
Government-wide payables and Other Accruals at June 30

Purpose This attachment is to identify other accrual information after August 31, 2007, which has not been reported via the supplemental information or the other attachments in this Directive. This attachment is similar to prior year's Attachment 23.

Applicable agencies All agencies with CARS activity for those funds that are not included in the agency submitted financial statement templates **or** other submissions.

Due date **September 20, 2007**

Certification The **Certification** tab is new for FY 2007, and it requires all preparers and reviewers to type their name on this form. Please note that there should be a segregation of duties; therefore, the preparer and the reviewer should not be the same individual for any tab. By typing a name, the individual is certifying that all tabs of this attachment have been reviewed, the information is both complete and accurate, and the preparer and reviewer were not the same individual for any tab.

Submission information Contact DOA if the agency has any problems with the files.

After downloading the files, rename the spreadsheet file using the agency number followed by Att25. For example, agency 151 should rename its Attachment 25.xls file as 151Att25.xls.

Submit the Excel spreadsheet electronically to
finrept-agyatt@doa.virginia.gov

Copy APA via e-mail to: APAFinRept@apa.virginia.gov.

Do not submit paper copies of the Excel attachment.

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Comptroller's Directive No. 3-07
Attachment 25
Government-wide payables and Other Accruals at June 30

**Attachment
revisions**

If attachment revisions are made subsequent to DOA acknowledgement of receipt and acceptance of the original attachment submission, **resubmit the revised attachment AND complete the [Revision Control Log](#) tab in the attachment excel file.**

Enter the revision date, applicable excel file tab name, row number and column letter revised, and the previous and revised information. Document text changes and numerical changes. Only enter changes for amounts actually keyed. For example, if a non-keyed, calculated total changes as a result of the revision, this does not need to be documented on the Revision Control Log.

If the attachment is revised more than once, do not delete control log revision information from the previous revision. Enter the new revision date and the additional revisions in the rows following the initial revision rows. This log should document all revisions from the initial attachment submission.

Each time a revision is submitted the [Certification](#) tab should be updated with new signatures and dates.

Background

GASBS No. 34 requires a Government-wide Statement of Net Assets and Statement of Activities to be prepared on the economic resources measurement focus and full accrual basis of accounting. As such, each agency must analyze and list any other accruals after August 31, 2007. An example of this would be accounts payable. **Agencies need not list any accruals between July 1, 2007 and August 31, 2007 because DOA can retrieve that information through the "P" and "N" voucher process. In addition, if information has been included in any other directive submission, it should not be listed in this attachment.**

**Additional
consideration**

In analyzing expenditures that should be accrued (like payables) after August 31, 2007, each agency must consider whether those expenditures are exchange or nonexchange transactions. For nonexchange transactions, follow guidelines in **GASBS No. 33** and **GASBS No. 36**. See also the **[GASBS No. 33 – Nonexchange Transactions Overview](#)** section in this Directive.

Continued on next page

Comptroller's Directive No. 3-07
Attachment 25
Government-wide payables and Other Accruals at June 30

Exclusions

Prepayments should not be included on this Attachment. Prepayments should be included on **Attachment 7, Schedule of Inventory on Hand as of June 30 and Prepayments**.

Spreadsheet instructions

Follow the instructions below in order to identify accrual information to be paid **after August 31, 2007**:

Step	Action
1	Indicate whether the agency has full accrual information to report to DOA.
2	Provide a brief description of the accrual for each row of information.
3	Provide the name of the payee when the funds are paid.
4	Record the fund / fund detail. This should be entered as a numeric field. (When fund / fund detail 0100 is entered as a numeric field, it will show on the spreadsheet as 100.)

Continued on next page

Comptroller's Directive No. 3-07
Attachment 25
Government-wide payables and Other Accruals at June 30

Spreadsheet instructions (Continued)

5	<p>Record the function of the expenditures. A drop-down list is available. Click the cell, click on the arrow, and click on the function. Functional codes are the first number in every service area. For example, service area 1031000 "Community Services" would fall under the "Education" function. Each functional code and its corresponding description is below.</p> <p>1 – Education 3 – Administration of Justice 4 – Individual and Family Services 5 – Resources and Economic Development 6 – Transportation 7 – General Government 8 – Enterprise 9 – Capital Outlay</p> <p>If the accrual is not for an expenditure, leave the cell blank and go to step 6.</p>
6	<p>If the other accrual corresponds to a revenue (i.e., revenue refund), enter the 5 digit revenue source code. This must be entered as a numeric field. When the revenue source code 01000 is entered as a numeric field it will show on the spreadsheet as 1000.</p> <p>If the other accrual is not related to revenue, leave cell blank and go to step 8.</p>

Continued on next page

Comptroller's Directive No. 3-07
Attachment 25
Government-wide payables and Other Accruals at June 30

Spreadsheet instructions (Continued)

Step	Action
7	<p>Record the <u>GASBS No. 34</u> Government-wide revenue classification of the revenues. A drop-down list is available. Click on the cell, click on the arrow, and click on the appropriate classification. Refer to the <u>GASBS No. 34 Government-wide Revenue Classification Table</u> on DOA's website at www.doa.virginia.gov for the proper classifications. Click on the "Financial Reporting" link. Then click on "Financial Statement Directives." The classifications are listed below:</p> <p>GR-Taxes GR-Investment earnings GR-Grants / Cont. not restricted to S. P. GR-Miscellaneous Endowments / Permanent Fund Principal PR-Chgs/1-Education PR-Chgs/3-Administration of Justice PR-Chgs/4-Individual and Family Services PR-Chgs/5-Resources and Economic Develop PR-Chgs/6-Transportation PR-Chgs/7-General Government PR-Chgs/8-Enterprise PR-Oper/1-Education PR-Oper/3-Administration of Justice PR-Oper/4-Individual and Family Services PR-Oper/5-Resources and Economic Develop PR-Oper/6-Transportation PR-Oper/7-General Government PR-Oper/8-Enterprise PR-Cap/1-Education PR-Cap/3-Administration of Justice PR-Cap/4-Individual and Family Services PR-Cap/5-Resources and Economic Develop PR-Cap/6-Transportation PR-Cap/7-General Government PR-Cap/8-Enterprise Not Applicable – Fiduciary Fund</p>

Continued on next page

Comptroller's Directive No. 3-07
Attachment 25
Government-wide payables and Other Accruals at June 30

Spreadsheet instructions (Continued)

Step	Action
7 (Continued)	Below is a crosswalk of the acronyms: GR – General Revenues Cont. – Contributions S. P. – Specific Program PR – Program Revenue Charges – Charges for Goods / Services Oper – Operating Grants and Contributions Cap – Capital Grants and Contributions <u>Note:</u> The program revenues are followed by the related function.
8	Record the amount. Round amounts to the nearest dollar.

**Final
instructions
other accruals**

Ensure all full accrual items that should be reported on the Government-wide statements have been listed. **EXCLUDE amounts recorded on CARS or submitted via other attachments or supplemental requirements from this attachment.** If the agency has additional full accrual activity that is not reflected in this spreadsheet, contact DOA and notify them of the additional activity. Provide these additional entries to DOA.

Complete **Variance Explanation** tab as indicated on the **Other Accruals Detail** tab.

DOA may contact your agency to clarify or obtain more information regarding the full accrual entries.

MAINTAIN DETAIL SUPPORTING DOCUMENTS FOR THE AUDITOR OF PUBLIC ACCOUNTS TO REVIEW.

Comptroller's Directive No. 3-07
Attachment 26
Direct Billed Central Services

Purpose This attachment is needed to comply with the OMB Circular No. A-87, “Cost Principles for State, Local and Indian Tribal Governments.” This attachment is similar to prior year’s Attachment 24.

Applicable agencies **ONLY** the following agencies are required to complete this attachment.

- Department of General Services (DGS)
 - Department of Human Resource Management (DHRM)
 - Department of Treasury (TD)
 - Virginia Correctional Enterprises (VCE)
 - Virginia Information Technologies Agency (VITA)
-

Due date **September 20, 2007**

Certification The **Certification** requirement is new for FY 2007, and it requires all preparers and reviewers to type their name on this information. Denote beside your name whether you were a preparer or a reviewer. Please note that there should be a segregation of duties; therefore, the preparer and the reviewer should not be the same individual for any submission. By typing a name, the individual is certifying that this submission has been reviewed, the information is both complete and accurate, and the preparer and reviewer were not the same individual for any portion of the submission.

Submission requirements Submit the required information to Penny Williams using the contact information in the **Questions** section. E-mail the information whenever possible.

Copy APA via e-mail to APAFinRept@apa.virginia.gov, if possible.

Otherwise, mail to:

Staci A. Henshaw, Audit Director

Auditor of Public Accounts

P.O. Box 1295

Richmond, VA 23218

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Comptroller's Directive No. 3-07
Attachment 26
Direct Billed Central Services

Questions

Please direct all questions regarding this attachment to:

Penny B. Williams Phone: (804) 225-3804
Indirect Cost Coordinator FAX: (804) 225-2430
Department of Accounts E-mail: penny.williams@doa.virginia.gov
P. O. Box 1971
Richmond, VA 23218-1971

Requirements

Submit the information specified for the agency in the table below.

Type of Activity	Required Information	Agency
Internal Service Funds (budget of \$5 million or more)	1. Description of the service 2. Fund Statement of Net Assets 3. Revenue / expenses statement, with revenues by source 4. List of non-operating transfers 5. Description of billing procedures (methodology) used to charge costs to users 6. Schedule of current rates 7. Schedule comparing full revenues (including imputed revenues) by service to allowable costs 8. Explanation of how variances between revenue and expenses will be handled 9. Documentation that revenue reported includes all revenues generated by the service including unbilled and uncollected revenue 10. Expenses reported by cost category 11. Amount of working capital reserve if any	DGS DHRM VCE VITA (see Note below)

Note: Virginia Information Technologies Agency must submit Combining
Financial Statement information by division.

Continued on next page

Comptroller's Directive No. 3-07
Attachment 26
Direct Billed Central Services

Requirements (continued)

Type of Activity	Required Information	Agency
Self Insurance Funds	<ol style="list-style-type: none">1. Fund Statement of Net Assets2. Statement showing fund income and fund outlays, including a summary of billings and claims paid by agency3. Listing of all non-operating transfers into and out of the fund4. Types of risks covered by the fund5. Explanation of how the level of fund contributions are determined, and actuarial report6. Description of procedures used to charge or allocate fund contributions to benefiting activities7. Explanation of reserve levels in excess of claims paid, submitted but not adjudicated, and incurred but not submitted	DGS DHRM TD
Fringe benefits	<ol style="list-style-type: none">1. Overall annual cost of each benefit2. Current fringe benefit policies3. Procedures used to charge or allocate the costs to benefiting activities	DGS DHRM
Pension and post-retirement health benefit costs	<ol style="list-style-type: none">1. Funding policies2. Pension plan's costs accrued for a year3. Amount funded, and dates of funding4. Copy of actuarial report5. Plan trustee's report6. Schedule showing the value of the interest cost associated with any late funding	DHRM
Other billed central service activity not identified above	The same documentation required for Internal Service Funds is to be completed and maintained but is not required to be submitted to DOA unless specifically requested by DOA, APA or federal reviewers.	DGS DHRM VCE VITA

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Comptroller's Directive No. 3-07
Attachment 27
Internal Control Statement

Purpose

This attachment provides DOA with a general statement about the agency's internal controls. This internal control statement is required to ensure compliance with CAPP Manual Topic 10305, Internal Control. This is similar to prior year's Attachment 26.

Note: In future years, agencies will be required to submit this Internal Control Statement as required by Comptroller's Directive No. 1-07, Required Implementation of Agency Risk Management and Internal Control Standards.

Applicable agencies

All agencies

Due date

October 18, 2007

Submission requirements

Before completing the internal control statement, the agency is required to read CAPP manual Topic 10305, Internal Control, **and the agency head or designee must sign the statement.**

This information must be submitted in hard copy on agency letterhead either by fax OR mail.

Mailing Address:
Sharon H. Lawrence
Director, Financial Reporting
Department of Accounts
P. O. Box 1971
Richmond, VA 23218-1971

FAX:
(804) 225-2430

Provide a copy of the statement to APA.

Mailing Address:
Walter J. Kucharski
Auditor of Public Accounts
P.O. Box 1295
Richmond, VA 23218-1295

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Comptroller's Directive No. 3-07
Attachment 28
Adjustments

Purpose	This attachment requires agencies to certify that all adjustments to financial statement templates, other attachments, and / or supplemental information have been provided to DOA. This attachment is similar to the prior year's Attachment 27.
Applicable agencies	All agencies must complete this attachment.
Due date	October 18, 2007
Certification	The Certification tab is new for FY 2007, and it requires all preparers and reviewers to type their name on this form. Please note that there should be a segregation of duties; therefore, the preparer and the reviewer should not be the same individual for any tab. By typing a name, the individual is certifying that all tabs of this attachment have been reviewed, the information is both complete and accurate, and the preparer and reviewer were not the same individual for any tab.
Submission requirements	<p>Contact DOA if the agency has any problems with the files.</p> <p><u>After downloading the files, rename the spreadsheet file using the agency number followed by Att28.</u> For example, agency 151 should rename its Attachment 28.xls file as 151Att28.xls.</p> <p>Submit the Excel spreadsheet electronically to finrept-agvatt@doa.virginia.gov.</p> <p>Copy APA via e-mail to APAFinRept@apa.virginia.gov.</p> <p>Do <u>not</u> submit paper copies of the Excel attachment.</p>

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Comptroller's Directive No. 3-07
Attachment 28
Adjustments

**Revised
submissions
and revision
control log**

If an agency has identified required adjustments **subsequent** to DOA's acceptance of the original submission, a revised attachment or supplemental information is required. The majority of attachments require a revision control log. Refer to the individual attachment instructions to determine the specific revision instructions. All Supplemental Information revisions must include **Attachment 30, Supplemental Information Revision Control Log**.

Each time a revision is submitted the **Certification** tab should be updated with new signatures and dates.

Note: Agencies that submit several of the same attachment for different funds may use the comment box to specify which fund the revision was for.

**Additional
requirements**

The agency must notify the individuals listed in the **Questions** section of this directive if material adjustments are discovered after submitting this attachment to DOA.

Comptroller's Directive No. 3-07
Attachment 29
Report of Financial Condition

Purpose Section 4-10.00 of the Appropriation Act provides each office handling State funds shall, upon the request of the Auditor of Public Accounts, make a detailed statement, **under oath**, of the financial condition of his office. This attachment is similar to prior year's Attachment 28.

Applicable agencies **All agencies must follow these attachment instructions.**

Due date **October 18, 2007**

Submission requirements **SUBMIT INFORMATION TO THE AUDITOR OF PUBLIC ACCOUNTS ONLY.**

APA requests no Faxes!

For paper submissions and page 3 of this attachment (all paper submissions must be sent to APA no later than October 18, 2007):

Mail to: Walter J. Kucharski
Auditor of Public Accounts
P.O. Box 1295
Richmond, VA 23218-1295

For e-mail submissions (only for those items not previously submitted):

E-mail Address: APAFinRept@apa.virginia.gov

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Comptroller's Directive No. 3-07
Attachment 29
Report of Financial Condition

**Providing
required
information**

Financial Statement Template Agencies:

- Send a copy of the financial statement templates to the APA.
- Send copies of all other DOA submissions to APA **(if not previously submitted)**.

Other Financial Data Agencies:

- If the agency is required to prepare financial information only by the Office of the Comptroller's Directive No. 3-07 send the following to the APA:
 1. CARS final trial balance (ACTR 402, Option B1)
 2. CARS reconciliation certification
 3. Send copies of all other DOA submissions to APA **(if not previously submitted)**.

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Comptroller's Directive No. 3-07
Attachment 30
Supplemental Information Revision Control Log

Purpose	This attachment is used to identify revisions to the supplemental information submitted to DOA. This is similar to prior year's Attachment 29.
Applicable agencies	This attachment is ONLY for agencies required to submit supplementary information and need to revise information previously submitted to and accepted by DOA. Refer to Attachment 1 (Supplemental Information section) for a list of all agencies required to submit supplementary information.
Due date	As revisions are made
Certification	The Certification tab is new for FY 2007, and it requires all preparers and reviewers to type their name on this form. Please note that there should be a segregation of duties; therefore, the preparer and the reviewer should not be the same individual for any tab. By typing a name, the individual is certifying that all tabs of this attachment have been reviewed, the information is both complete and accurate, and the preparer and reviewer were not the same individual for any tab.
Submission requirements	<p>Contact DOA if the agency has any problems with the files.</p> <p><u>After downloading the files, rename the spreadsheet file using the agency number followed by Att30.</u> For example, agency 151 should rename its Attachment 30.xls file as 151Att30.xls.</p> <p>Submit the Excel spreadsheet electronically to finrept-agyatt@doa.virginia.gov</p> <p>Copy APA via e-mail to APAFinRept@apa.virginia.gov.</p> <p>Do <u>not</u> submit paper copies of the Excel attachment.</p>

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Comptroller's Directive No. 3-07
Attachment 30
Supplemental Information Revision Control Log

**Supplemental
information
revisions**

If revisions are made subsequent to DOA acknowledgement of receipt and acceptance of the original supplemental information submission, **resubmit the revised supplemental information AND submit a completed Attachment 30 identifying the change.**

Enter the revision date, a description of the supplemental information, due date of the submission, and the previous and revised information.

If the supplemental information is revised more than once, do not delete the control log revision information from the previous revision. Enter the new revision date and the additional revisions in the rows following the initial revision rows. This log should document all revisions to the supplemental information submissions to date.

Each time a revision is submitted the **Certification** tab should be updated with new signatures and dates.
